FBIS DAILY REPORT

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FURTHER REPORT ON CAPUTO MEETING WITH SHULTZ

PY111536 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1128 GMT 11 Jun 86

[Excerpts] Buenos Aires, 11 Jun (NA) -- Foreign Minister Dante Caputo, who today is going to meet with U.S. Defense Secretary Caspar Weinberger and Elliott Abrams, assistant secretary of state for inter-American affairs, has said that the meetings he held yesterday with George Shultz and Treasury Secretary James Baker show that "there is an excellent level of understanding with the United States."

Caputo pointed out that "the Argentine political and economic situation" was discussed during the meeting with Shultz. He added that part of the meeting also served to evaluate "the regional situation" in the southern cone in reference to the situation in Chile and Paraguay.

During his meeting with Baker, Caputo asked "for an adequate answer" from the countries of the north to the "efforts and adjustments made by Latin America in the face of the current economic crisis." Caputo said during the meeting that "the adjustments have not received an adequate answer from the countries of the North and I believe that this is the time for a change of attitude."

CAPUTO SAYS SOVIET TIES 'EXTREMELY IMPORTANT'

PY111834 Buenos Aires TELAM in Spanish 1425 GMT 11 Jun 86

[Text] Buenos Aires, 11 Jun (TELAM) -- Foreign Minister Dante Caputo has said that Argentina considers its commercial relations with the USSR to be extremely important, adding that there are common projects, which the two countries can undertake.

In an interview granted to the news agengy NOVOSTI, Caputo said that President Raul Alfonsin's upcoming visit to the USSR will be a major step forward in the relations between the two countries. Caputo said that for the first time in the history of both Argentine-Soviet and Argentine-Russian relations, the 100th anniversary of which has just been commemorated, the Argentine foreign minister and president have visited the USSR.

Caputo added: In a recent message to my Soviet counterpart I emphasized the importance of bilateral cooperation. I also stressed that beyond the obvious differences in the organization of our states and societies, we have joined our efforts in the path of bilateral cooperation and in the struggle to strengthen world peace. I believe the visit I paid to the USSR a few months ago was an important occasion and showed that there are common projects that the two countries can undertake, the foreign minister said.

Caputo said that progress has been made in the area of economic relations, adding that during his visit early in the year he signed a grain provision agreement with the Soviet Government and an accord whereby Argentine agreed to buy Soviet products.

The foreign minister pointed out that Soviet companies are actively cooperating in the implementation of infrastructure projects, and that therefore our political and economic relations are important.

As for the Soviet initiative to extend its unilateral moratorium on nuclear testing, Caputo said that the Argentine Government's position on this issue is well-known. Argentina has not adopted an isolated position. We are part of the "Group of 6," which is working for peace. In this regard, we believe the moratorium of nuclear testing must be respected in order to ease tension and prevent the possibility of a nuclear holocaust.

CAMPAIGN BEGINS AGAINST FALKLANDS NUCLEAR BASE

PY112135 Buenos Aires Domestic Service in Spanish 1600 GMT 11 Jun 86

[Text] An international campaign for the withdrawal of the nuclear base from the Malvinas Islands, sponsored by the Antarctic and Argentine Peace Council, will begin today at 1900 in Buenos Aires. For details on this we consulted Presidential Adviser Aldo Tessio, who will be one of the speakers at the opening ceremony. He said:

[Begin recording] The struggle for peace will begin here with this ceremony. We have seen the preparation and the construction of a nuclear base too close to us who live in the south of Argentina. It is ironic that a NATO base is being built on our own islands. It is not only a U.K. base, it is NATO's. We did not fight against only England, we fought against world imperialism, against NATO. This base increases the danger of a world nuclear confrontation. Our task this afternoon will be to ensure that this does not happen. Because if it happens it will certainly be the end of mankind. [end recording]

DEFENSE MINISTRY CLOSES III CORPS INVESTIGATION

PY112205 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1905 GMT 11 Jun 86

[Excerpt] Buenos Aires, 11 Jun (NA) -- The Defense Ministry considers "closed" the episode prompted by the statement by General Leopoldo Flores, commander of the III Corps, regarding the "discomfort or annoyance" of members of that unit. The ministry believes that "it was not the officer's intention to create a special or conflictive situation." No further action is planned.

The news of the closing of the case comes from reliable sources at the Defense Ministry, who believe that the statement made by Gen Flores at a press conferнce on 9 June in Tucuman "reveal the true scope of the statement published by the daily LA VOZ DEL INTERIOR of Cordoba."

In Tucuman, the commander of the III Corps stated that he had not spoken about "unrest" among the higher echelons of his command, but that he had only referred to "a discomfort, annoyance, something similar," as a consequence of the frustrated attack against President Raul Alfonsin. In view of this explanation, the defense Ministry sources stated that "there are no reasons to adopt any measures and that, after a careful analysis of the case in which the chief of state also took part, it is considered "closed."

ITAMARATY ON MEETING OF L.A. PRESIDENTS

PY111512 Paris AFP in Spanish 0323 GMT 10 Jun 86

[Text] Brasilia, 10 Jun (AFP) -- Rui Nogueira, the spokesman from the Brazilian Foreign Ministry, today announced that Brazil will define its role in the proposed meeting of Latin American presidents after it receives and evaluates a preliminary document being prepared by Mexico.

Nogueira today said that Argentine Foreign Minister Dante Caputo telephoned his Brazilian counterpart, Abreu Sodre, to inform him of a proposed meeting of Latin American presidents, and to tell him that the preliminary document was being prepared by the Mexican Foreign Ministry.

Nogueira explained that at the conclusion of the Contadora Group and the Contadora Support Group meeting on 7 June in Panama some foreign ministers considered informally the idea of a meeting of Latin American presidents to discuss the continent's common problems. Nogueira added that today Argentine Foreign Minister Dante Caputo telephoned Foreign Minister Sodre from Washington to inform him about the proposed meeting. Caputo informed Sodre that a preliminary document is being prepared by Mexican Foreign Minister Bernardo Sepulveda for an evaluation by the other countries of the area.

Nogueira explained that the Brazilian Government is waiting for the preliminary documents before making a decision on this matter.

Nogueira also stated that after Caputo's call, Sodre informed President Jose Sarney on the issue. Nogueira then added that Sarney agreed to wait for the Mexican document before making a decision.

A diplomatic source indicated that the basic issue for discussion at the presidential meeting will be to establish a strategy for Latin American cooperation to reactivate the region's development process. The same source admitted that Brazilian official circles were surprised by an announcement made by an Argentine daily stating that 6 and 7 August have already been established as the dates for the meeting of Latin American presidents. The source added that no decision has yet been made and this is why the Mexican foreign minister is preparing a memorandum on the possibility of holding the meeting.

FUNARO DENIES REPORTED FREEZING OF U.K. CREDITS

PY110339 Brasilia Domestic Service in Portuguese 0001 GMT 11 Jun 86

[Text] Finance Minister Dilson Funaro today denied that Great Britain has frozen credits to the Brazilian Government. Regarding the payment of the debt to the Paris Club, Funaro said that Brazil has adopted a unilateral position. The interest will be paid until December, and the remainder will be added to the principal of the debt. The payment of the principal will be made over 15 years, with a 5-year grace period.

According to Funaro, we are going to pay what we can and in accordance with our possibilities, without endangering the country's development. Those who do not accept these conditions can return our checks.

THREE BOMBINGS CAUSE DAMAGE IN VINA DEL MAR

PY120224 Santiago Domestic Service in Spanish 0001 GMT 12 Jun 86

[Report from Vina del Mar]

[Text] Extremists carried out three bomb attacks in Vina del Mar. The attacks were carried out against a local telephone company office, the local internal revenue branch, and the (?gas) company.

An incendiary bomb was planted at the Vina del Mar internal revenue office. The bomb caused a small fire on the second floor of the building. The fire was put out by the Vina del Mar volunteer fire department.

Another bomb was planted at the (?gas company) on Libertad Avenue. The bomb was placed beneath a small truck parked in the company's parking lot. The bomb damaged the building's windows and also the truck.

In addition a bomb was planted at the local telephone company office. The bomb caused damages to building's windows and to nearby buildings.

Security personnel were at the scene. At present, they are carrying out the proper investigations to find those responsible for these attacks.

DEMONSTRATIONS BY STUDENTS, TEACHERS BROKEN UP

Protest at University

PY111741 Paris AFP in Spanish 0316 GMT 11 Jun 86

[Text] Santiago, 10 Jun (AFP) -- About 20 Chilean students were detained today by members of the Carabineros police who entered the University of Santiago Campus to break up a demonstration against General Augusto Pinochet's regime.

Student sources have reported that hundreds of youngsters held a meeting at the university to express solidarity with public school students who reject the government's decision of turning public high schools over to municipalities. Andres Rengifo, president of the Students' Federation of the Santiago University (Deusach), formerly State Technical University, reported that the repressive force entered the campus hurling many tear gas grenades, and detaining several students.

According to police reports, about 1,000 youngsters and teachers have been detained since the government announced its decision to continue to municipalize public high schools. The government announced this decision 3 weeks ago. Most of the high schools involved have closed down to protest the action.

A survey conducted by the Teachers Association has shown that 97.5 percent of the teachers are against turning the high schools over to the municipalities, but the government reiterated its plans to continue the measure.

Some 3 million students attend Chilean public junior and senior high schools.

Demonstration Near Palace

PY112025 Paris AFP in Spanish 1858 GMT 11 Jun 86

[Text] Santiago, 11 Jun (AFP) -- Police sources today reported that some 50 teachers and students were detained today in Santigo during antigovernment demonstrations near La Moneda Presidential Palace. AFP correspondents have reported that the demonstrators were dispersed by the forces of order, who used water cannons and tear-gas grenades.

The teachers association and the students federations are currently oppposing an official plan that passes the administration of public schools to the municipalities.

150 Teachers, Students Arrested

NC120716 Paris AFP in English 0701 GMT 12 Jun 86

[Text] Santiago, June 12 (AFP) -- Police arrested 150 more teachers and high school students during new protests here against a decision to switch control of state schools to municipalities, taken by Chile's military regime. Some 72 of them -- 69 teachers and three students -- faced legal action, while the others would be released during the day, police said early Thursday. Arrests since protests began three weeks ago now totalled about 1,000. The 69 included two union leaders. One, Jorge Pavez, heads the union Association of Chile teachers, the country's biggest in the profession. The protests were the latest in a series against the regime led by General Augusto Pinochet, in power for 13 years.

MATTHEI FETED, VOWS TO SUPPORT GOVERNMENT

PY120242 Santiago Radio Chilena in Spanish 2300 GMT 11 Jun 86

[Report from La Moneda Palace by Iliana Henriquez]

[Excerpt] General Fernando Matthei, member of the Government Junta, today asserted that he will support to the final consequences the path which the government has chosen to take during the next 2 years. The Air Force commander made this statement upon receiving President Augusto Pinochet's greetings on his 61st birthday. Gen Matthei said that the work that lies ahead of us in the next few years is not going to be easy. During the ceremony, which was attended by the other members of the Junta and by the entire Cabinet, Matthei stated that the government is following a new path and noted that everything that has been accomplished under President Pinochet's administration has been done by pioneers. The Air Force commander said that during the next 2 years teamwork will be necessary.

[Begin recording] The next 2 years will demand from all of us all our imagination, our will, and above all our firm determination to work as a single team under your leadership, Mr President. In this regard Messrs Ministers, of whom I was once a colleague; your excellency, Mr President; Messrs members of the Junta, I will follow this path to the final consequences. [end recording]

President Pinochet, for his part, asserted that any decision or hesitation has a great impact on the nation's political development. He also said that the government's current main task is to project its work into the future and to have every Chilean support this work.

FARC TO 'COLLABORATE' WITH PEACE PROCESS

PA031435 Bogota Emisoras CARACOL Network in Spanish 1215 GMT 2 Jun 86

[Text] Colombian Peace Commission President John Agudelo Rios has said that the FARC is prepared to collaborate with the peace process to reinforce and thus be able to continue peace talks with the new government of President-elect Virgilio Barco Vargas. Moreover, Patriotic Union deputy-elect Alberto Rojas Puyo told CARACOL that the FARC does not view Barco's election as a setback, but rather as a step forward to consolidate the peace process.

The Peace Commission met with the FARC's general staff in Casa Verde, in Uribe, Meta, the headquarters of the guerrilla movement.

Meanwhile Defense Minister Miguel Vega Uribe, in a statement to this station, asked that the FARC show a true commitment to avoid violence, surrender its weapons, and comply with the objectives of the truce.

High Commissioner [of the Peace Commission] Alberto Rojas Puyo said that the peace process does not mention surrendering weapons, but rather banning weapons. Regarding Attorney General Carlos Jimenez Gomez' appeal to the FARC to release over 12 people it has kidnapped, Rojas said that he does not know if there is any truth to that charge. He warned that it is up to the guerrilla movement to respond to the attorney general's request.

FARC LEADERSHIP DENIES GOVERNMENT CHARGES

PA071851 Madrid EFE in Spanish 1222 GMT 7 Jun 86

[Text] Bogota, 6 Jun (EFE) -- The high command of the Revolutionary Armed Forces of Colombia (FARC), which has been in a state of truce since 1984, today rejected charges from the attorney general's office that several of its guerrilla fronts have been involved in killings and kidnappings.

Jacobo Arenas, the ideologist of the largest and oldest rebel group in the country, speaking by radiotelephone from his headquarters in La Uribe, a mountainous area more than 200 km southeast of Bogota, called for an investigation of the charges filed last week by State Attorney Carlos Jimenez Gomez.

The 62-year-old rebel leader, whose true name is Luis Morantes, said: "These are lies being spread by enemies of the current peace process." He called for the creation of special commissions from the state attorney's office "to go to each region and clear up the situation." Arenas said: "All the fronts are prepared to cooperate to establish the truth. We have talked with the front leaders and they have stated they know nothing about the charges."

Jimenez Gomez has asked FARC to release the following kidnapped persons: Manuel Salvador Ramirez, Ricardo Parra, the brothers Elber and Gerardo Valencia, and Hector Fancia Militar." [quotation mark as received]

UNIDENTIFIED INDIVIDUALS KILL 19, WOUND 8 IN CALI

PA111904 Bogota EL TIEMPO in Spanish 8 Jun 86 pp 1 A, 8 A

[Excerpt] Cali, 7 Jun -- Today 19 persons were murdered and 8 were wounded.

It was a "bloody dawn" produced presumably by a death squad that for several months has dedicated itself to "cleansing from the face of the earth" underworld people, outcasts, beggars, and drug peddlers.

This situation, which has shocked the people, occurred between 0500 and 0530 in slums of this city. Individuals travelling in unidentified vehicles indiscriminately fired machine guns at people who happened to be on the streets at that time.

Some of the victims were forced to beg for mercy on their knees, witnesses said. A person was hanged from a tree in an empty lot of the El Rodeo neighborhood, in east Cali. In San Luis neighborhood, a grenade was thrown at a house.

The crimes took place in the sectors of Sucre, El Rodeo, Ulpiano Lloreda, Simon Bolivar, Santa Fe, Primitivo Crespo, Berlin, La Isla, and the city's downtown area.

BRIEFS

BUDGET DEFICIT FIGURES -- The Comptroller General's Office has released its financial report for April 1986, which shows an overall budget deficit of 61.856 billion pesos. The average monthly revenue between January and April was 41.593 billion pesos, against an average authorized monthly expenditure of 62.597 billion pesos. The deficit has increased 59 percent over the last 12 months. [all figures as published] [Summary] [Bogota EL TIEMPO in Spanish 5 Jun 86 p 7 D PA]

COCAINE CONFISCATED AT AIRPORT -- Police today seized 2 kg of cocaine at the Eldorado International Airport in Bogota. The cocaine was found in plastic bags in merchandise that had arrived at the cargo area of the Lines Aereas del Caribe company from Barranquilla. No one has been arrested in this case so far. [Summary] [Bogota Cadena Radial Super in Spanish 1730 GMT 10 Jun 86 PA]

COLORADO LEADER DISCUSSES PARTY DISAGREEMENTS

PY110326 Asuncion LA TARDE in Spanish 10 Jun 86 p 10

[Text] Upon learning that the Colorado Party Political Committee has instructed the party rank and file to hold assemblies, Mario Pastor Almada, president of Asuncion Colorado Party Precinct's Council, said: "I am going to find out who is plotting against President Stroessner, although some members of the Colorado Party Executive Board may not like this. In our capacity as representatives of the people, we are going to demand that the party convention be held in a democratic manner and that we not be forced to approve lists that they have drawn up."

Almada said: "The Colorado Party is divided. There are those who support President Stroessner and who want his reelection for another term. In my capacity as grass-roots leader, I confirm that it is ill-advised to summon Colorado Party members to an internal struggle under the current circumstances. If the delegates of the Colorado Party Political Committee have disagreements, they are probably due to personal interests."

He added: "I find it very strange that the members of the Executive Board now want the members of the various party precincts to engage in a political struggle. This is not advisable at this time because of events that are taking place and because the Colorado Party is divided."

Almada said: "This could worsen the Colorado Party's situation because everyone is going to defend his own position, and it is obvious that in this process of registering party candidates, there have been some people who just did not have the necessary support to register as easily with the Executive Board as they did with the help of some leaders of the Colorado Party themselves."

Almada noted that currently there are some sponsored candidates who are paid by people who do not like President Stroessner. Therefore the results of the next party convention should benefit them." He went on to say that "those who are going to form part of the Executive Board of the governing party should get to work and seek their supporters and give us the opportunity to chose the men who will run the party, thus proving that democracy prevails within the party."

Almada wondered whether "the members of the Executive Board would give the dissidents of 1952 and of 1934, as well as the members of the Mopoco [Colorado Popular Movement] an opportunity, whether during the party convention they would have the courage to leave the doors open for other groups to submit their candidacy and thus practice democracy, as they call it, as Ruben Stanley calls it. Ruben Stanley [Colorado Party Deputy] maintains that democracy will cease to be practiced if the party precinct assemblies are not held. I want to ask Mr Stanley whether he would allow the Executive Board dissident groups the opportunity to participate in the democratic struggle during the next Colorado Party Convention."

Stanley Responds

PY120214 Asuncion LA TARDE in Spanish 11 Jun 86 p 10

[Excerpts] "Mario Pastor Almada's remarks are insolent. Where is the evidence to support everything he has been saying? There is no evidence, and he should cover his back, he should think twice about what he has said because his moral standards hardly entitle him to walk around with his head held high." These are the strong words of Ruben Stanley, vice president of the Colorado Party Executive Board, whom Mario Pastor Almada, president of Colorado Party Precinct No 23, mentioned after threatening to name those who are plotting against President Alfredo Stroessner.

Regarding these threats, Ruben Stanley said: "No, no, no. I want to categorically rule out plotting. If he (Pastor Almada) thinks he has any political standing, I can assure you that his political background is nothing compared to that of the people who make up the party Executive Board."

Stanley warned Almada to protect his back and think twice before talking because "he has no proof," and emphasized that Pastor Almada's moral standards do not permit him to make remarks like the ones he has made.

"He is saying that he will name the people. Well, let him name them because all he is accomplishing with this rumor about members of the Exexutive Board being against Stroessner is to make a lot of people run away," said Stanley.

He concluded by saying that "in politics one does not make idle threats" and demanded evidence from Mario Pastor Almada, after categorically denying the latter's accusations. "I believe that he should attend some special school and learn good manners."

WOMEN DEMONSTRATE IN SUPPORT OF STROESSNER

PY112309 Asuncion LA TARDE in Spanish 11 Jun 86 p 11

[Excerpt] Thousands of women Colorado Party members from all over the country this morning marched to demonstrate their gratitude and loyalty to Paraguayan President Alfredo Stroessner, who is also honorary president of the Colorado Party. According to the organizers, between 50,000 and 100,000 Colorado Party women, wearing red bandannas and carrying signs greeted the president and other Colorado Party leaders who reviewed the parade in front of the party headquarters in Asuncion.

DER SPIEGEL INTERVIEWS PRESIDENT ALAN GARCIA

DW101231 Hamburg DER SPIEGEL in German 9 Jun 86 pp 134-138

[Interview with President Alan Garcia Perez by DER SPIEGEL editors Walter Tauber and Hans-Georg Nachtweh in the Lima presidential palace; date not given]

[Text] Mr President: You have ousted the IMF from your country. Is that theatrical bombast for domestic consumption, or do you want to achieve what Fidel Castro was aiming for in vain: to lead a revolution of Latin American countries against the suppliers of money, the Western financial world?

Garcia: These are journalistic subtleties. It is an objective fact that the Peruvian Government decides in a sovereign way on its economic policy. No institution can dictate interest rates, exchange rates, or state expenditures. Therefore, we cannot tolerate any commissions here that snoop around, control, and dictate.

SPIEGEL: You use strong words. You state that Peru will use 10 percent of its expoort gains at the maximum for the payment of interest. In fact, however, you still pay around 30 percent. Is that a contradiction?

Garcia: No. That is an assertion by people who want to call our credibility into question. Of our 14 billion in foreign debts, some 11.5 billion is public debt. The interest payments on the debt will not surpass 10 percent of our export gains of 3 billion.

SPIEGEL: Do you not risk becoming ineligible for credits for a long time?

Garcia: If we remained a good payer, the risk would be even greater for us. We need foreign investment and technology, however, it is a myth to believe that the Third World countries could live with a credit policy that is only a financial merry-go-round: We get new money to pay our old debts back, and that only on condition that the IMF will govern us economically.

SPIEGEL: Such are its rules.

Garcia: The system of dictating interest rates and the predominance of the dollar as a world currency is basically wrong. It is an economic ideology that makes our countries serve the powerful.

SPIEGEL: And now you want to fight the powerful?

Garcia: We have principles, but we are not stupid. We do not want to provoke sanctions against Peru. We recognize our debts, but we will pay them back only consistent with our ability. That is something completely different from saying: I owe nothing, I will not pay anything.

SPIEGEL: With your recent spaced payment of long overdue interest to the IMF you have just avoided a default.

Garcia: No, the default has been there for a long time. We will not ask the IMF for one single cent more.

SPIEGEL: The IMF and the banks are outraged that you want to dictate the repayment of debts unilaterally.

Garcia: Our creditors have increased the interest rates unilaterally. They close the markets to our products unilaterally. They push raw material prices down unilaterally. They help the contras in Nicaragua unilaterally.

SPIEGEL: Other Latin Americans do not show solidarity that way. Mexico and Argentina seek to curry favor with the banks through good conduct.

Garcia: I have talked to Argentine President Alfonsin and I respect his policy and strategy. First of all, it is important that the Latin Americans show solidarity if a country is being pressured or if sanctions are taken.

SPEIGEL: Why is it so difficult for the Latin Americans to set up a common front, if even bankers admit privately that the debts cannot be paid back any more?

Garcia: Bankers may say that privately. Officially, however, they insist on their money, they dangle advantages in front of those who negotiate bilaterally. The IMF and the international banks want to divide us.

SPIEGEL: So far the Latin American countries have tried individually to achieve advantages for themselves.

Garcia: We are all responsible somewhere. However, I believe that history moves in the direction of a common front for Latin America. It is only a matter of time.

SPIEGEL: When that time comes, do you foresee the collapse of the Western financial system?

Garcia: World capitalism stands on secure foundations. It will not collapse because Peru goes the way of socialism.

SPIEGEL: Are you a Marxist?

Garcia: Philosophically, Marxism explains the changes in life and in history. Unfortunately, however, it was frozen in a mechanical and totalitarian form. Marxism is an ideology next to newer findings of science and philosophy.

SPIEGEL: Could one say that you are just a bit of a Marxist?

Garcia: One cannot devote oneself to one single ideology. The doctrine of my party, the American Popular Revolutionary Alliance, is influenced by Marxism, but not exclusively so. In addition, ruling is not the same as philosophizing or writing a book. Every philosophy needs a shot of pragmatism so as not to become unrealistic.

SPIEGEL: So let us be oriented by reality: Peruvian flight of capital into accounts in Zurich or Miami amounts to about one-third of your foreign debt. Is that also the fault of imperialism?

Garcia: The banks threw money at us when they did not know where to put their petrodollars. It was easy for the rich to get the money out of the country again. The international banks have it in their accounts again. Let them help themselves from there.

SPIEGEL: The governments of creditor countries have also worked with borrowed money,. Is the IMF not right after all in saying that government expenditures must be limited?

Garcia: Then it ought to control the U.S. deficit. Our problem is not the deficit as such, but the things the money is spent for. If we can promote millions of small farmers, the result will be productive.

SPIEGEL: You get much applause from the people. Do you also have the confidence of businessmen?

Garcia: No. The entrepreneurs in Latin America trust only governments that have emerged from their own social class. The Peruvian entrepreneurs have never been ruled by a people's party.

SPIEGEL: Does your distribution policy not cause the flight of enterprise capital?

Garcia: There are enough entrepreneurs who see clearly and who recognize our successes. We have cut the inflation rate of 10-12 percent monthly under the last government to about 4 percent. Ask the entrepreneurs whether they are not selling more now than they did a year ago.

SPIEGEL: Mr President, you have a charismatic image. You order price cuts from the balcony of this government palace, in the slums you personally initiate working programs, even on the garbage dump in the port you slog through the dirt to close down an illegal pig breeder. Why do you do so many things yourself?

Garcia: One of the characteristics of our economy, which is distorted by foreign interests, is the inefficient and inflated official apparatus. There is much administration here and little production, there are many bureaus and few places of production. Those officials who yell most loudly for pay increases show a lack of solidarity. They are lazy. The president is not just a technician giving orders from a bureau. I want to tell Peruvians that they should take their lives into their hands in earnest and with devotion.

SPIEGEL: Do Peruvians listen to you?

Garcia: In my election I was supported by 53 percent of the people; according to opinion polls I am now backed by 70 percent. However, I do not believe that because it is a verbal, theoretical support. I see no practical support. Everywhere there are holes in the streets. Everyone has one in front of his house. But nobody goes to fix it. So what good is the support for the country, the support shown by opinion polls? I would like to ask the Peruvian people this. Yet, I believe that the collective feeling of responsibility is growing slowly.

SPIEGEL: Critics disparage your style of governing as populism. Do you want to be like Peron, who once made Argentines feel ecstatic?

Garcia: Anything one wants to discredit is called populism. Policy -- and this is certainly known to Germans -- consists not only of rational action but also of emotional identification with a person. I know that historical developments also take place independent of the person. However, the masses always look to the leader. He has the duty to fulfill certain emotional expectations in his action.

SPIEGEL: So it will be a new Peron?

Garcia: The comparison would be a great honor.

SPIEGEL: You promise to create a social state. Do you not create great expectations that way?

Garcia: We say no if something is impossible. We trust the insight of the people.

SPIEGL: Regardless of what you do, you must not fail because of the hardened political and economic structures of your country.

Garcia: I am prepared to fail. Therefore, I continue to work calmly.

SPIEGEL: You will in no case have an easy time. Violence seems to be present everywhere in Peru. There is a strong Maoist guerrilla force, an army that is being accused of murdering farmers, and a press that is inebriated by reports of bloodshed. How do you want to get all that under control?

Garcia: Step by step. Violence is caused by the structures of the country, by the misery of the people and the indifference of the wealthy. It is deeply rooted in the people's way of thinking, and it is heated up by the media. It is Peru's most important problem. There is no immediate solution.

SPIEGEL: What have you already accomplished?

Garcia: The first thing is to see to it that violence and brutality do not emanate from the state. The state must show patience and act rationally. Because of terror and criminality, many people demand the death sentence. That cannot be the state's answer.

SPIEGEL: It was particularly the Peruvian state that stood for a long time for the use of force.

Garcia: We cannot eliminate the bad habits of a few officials over night, habits they have become accustomed to over the years. A few days ago some police members helped two dangerous criminals flee. Should we execute those officials?

SPIEGEL: In the fight against the rebellious Maoists, the military have killed hundreds or maybe thousands of innocent farmers.

Garcia: We have stopped that. We have commissioned an investigation of the events. The judiciary prides itself on its independence. I beg it to use it now.

SPIEGEL: Your colleague Alfonsin in Argentina has restricted the power of the military through drastic cuts in their budget. Are you tempted to follow that example?

Garcia: The Peruvian Armed Forces deserve our full respect. After 1968 they implemented a social revolution, the consequences of which will be felt for a long time. Some of it may be arguable. However, it is a fact that the military is firmly integrated into society. Their ideological background can be hardly compared with that of the armed forces of other states on this continent.

SPIEGEL: So you are, little Alfonsin, certain that the military in Peru will not stage a putsch?

Garcia: I am a realist. He who says about Latin America that the time of putsches is over commits the sin of optimism. I maintain, however, that our military have a nationalist and even democratic strain because of their social roots and their history. Of course, a putsch is still possible.

SPIEGEL: Mr President, we thank you for this visit.

WAGNER RETURNS FROM PANAMA, VIEWS CONTADORA

PERU

PY111503 Lima Radioprogramas del Peru in Spanish 0010 GMT 11 Jun 86

[Text] Upon returning from Panama, where he attended a Contadora Group meeting, Foreign Minister Allan Wagner voiced satisfaction over the results of the summit, when the draft of a peace and cooperation treaty for Central America was formally and solemnly delivered. This was an important meeting because it will make it possible for the Central American nations to find a peaceful solution, he added.

[Begin recording] The meeting yielded the results that we expected. First, it was confirmed that progress had been made in negotiations. Based on this progress, the Contadora Group submitted a final proposal on the two pending issues. As I said, the group formally and solemnly delivered the draft of the peace and cooperation treaty for Central America. The group also proposed to begin a new phase in the negotiations, during which the mechanism of control and verification will become operational and other measures will be temporarily adopted in preparation for the enactment of the treaty the foreign ministers of the Contadora Group and the Support Group also outlined the political framework within which this process is to be continued, thus completing the Caraballeda message issued in January.

Therefore, I believe this was an important meeting, because the quest for peace calls for permanent efforts in an atmosphere of confidence. I believe we can continue to work based not on hollow optimism but on our conviction that the only alternative for Central America is a peaceful, Latin American solution. [end recording]

DE LA MADRID DISCUSSES ECONOMY, FOREIGN DEBT

PA111200 Mexico City XEW Television Network in Spanish 2240 GMT 10 Jun 86

[Interview with President Miguel de la Madrid by Guillermo Ochoa and Angel Ferreira at the presidential residence in Mexico City: date not given -- recorded]

[Excerpts] [Ferreira] You must have the capacity and the training to do this job. It is not easy to be president, although some sectors feel that it is easy.

[De la Madrid] The Presidency, as I told you earlier, is an exercise in constant learning. One learns new things every day. New problems emerge every day. Some information comes up that one was not aware of, there are new points of view, new opinions, new ideas. These things enrich the knowledge of the person who has the privilege of being the president.

[Ferreira] You work here and you work at the National Palace, but you have also organized a number of tours to the interior of the country and abroad. All of this is a great effort to keep in contact with the people, with the problems they have.

[De la Madrid] Yes, although these tours also bring a sense of balance to the president's views when he is simply closed up in his office. These tours allow me to be in contact with very diverse groups of Mexicans, to listen to their problems, to see what is happening, to see what is being done, and to see how the federal government can coordinate its actions with those of state governments to solve the country's problems. In other words, it is part of a president's normal work.

[Ochoa] When you were president-elect did you feel that your sexennium, your term, your government would be more or less difficult than it has turned out to be?

[De la Madrid] I knew that it would be difficult from the beginning, because at the time I was president-elect the economic crisis in 1982 had already exploded. The devaluation in February of that year had already taken place. The payment of the debt had been suspended since August, the outgoing government carried out very important actions, which somehow created an atmosphere, and I knew that the task would be very difficult. In addition to this, during the tours I made I saw the very complex problems Mexican society faced at that time.

Mexico's first complex problem is its size, a size that at times the Mexicans themselves are not even aware of. We are among the largest countries in the world, if you take our population into account. We are in the 11th position regarding population. Furthermore, our population has grown at an extraordinary rate. In recent times it has doubled every 20 years. This is easy to say, but a society's being able to absorb this situation in terms of education, nutrition, housing, the infrastructures and generation of jobs, has been a formidable challenge for Mexico. However, despite these challenges, despite its problems, Mexico is a country holding approximately the 15th position in the world if you take into account the many indexes and information there is regarding its territory, population, the size of its economy, industry, and fishing industry. We are a country that, despite great deficiencies and considerable problems, figures as one of the most distinguished countries in the world. The country gives us problems, but it also gives us a challenge.

[Ochoa] The job turned out to be more difficult, or did it turn out as you expected?

[De la Madrid] I believe it turned out more or less as I expected, in some ways easier and in others more difficult.

[Ferreira] I would like to ask you what achievements you have felt satisfied with during these 3 years of your government, and could you explain which have been the most difficult and the easiest tasks?

[De la Madrid] At the beginning of my term I feared for the institutions' stability, social stability, and for the tense atmosphere at the end of 1982. This aspect has turned out to be very stimulating in practice, because the Mexican people have accepted their situation with maturity and have remained calm in response to the very serious and complex problems we have faced. The maturity of our leaders in general, the political, labor, and even the business leaders or most of them, has helped me manage these very complex problems.

[Ferreira] Mr President, at the beginning of your inaugural speech you said that one of the leading problems was inflation. Nevertheless, some people feel that there is no control over inflation. What internal or external pressures have had to be overcome?

[De la Madrid] Both. Of course inflation is a very serious problem; it is a problem that combines all of the other problems. However, it is not only inflation that must be taken care of. At the beginning of my government I said that I would try to control and overcome inflation, but I also said that I would try to maintain production and employment. I believe there should be balance in a government's policy of achieving its economic objectives. Of course inflation is a very bad problem. Of course it affects most of the people. It probably affects the poorer classes the most, but recession, unemployment, the decline of production are also very dangerous problems. In this sense, I feel that we have maintained a reasonable balance between the goals of controlling inflation and the goals of economic activity. That is, production and employment.

[Ochoa] Sir, the other part of the question is what turned out more difficult than you expected. The solidity of the institutions and the patriotism of the leaders and Mexicans in general as you said, turned out easier. This has allowed institutions to become solidly established in our country. However, what was more difficult than you expected?

[De la Madrid] The external part of our economy has been the most difficult. This has an effect on our domestic lives, particularly the high interest rates and the lowered prices of the raw materials we export, especially oil. However, the prices of the other raw materials have dropped -- those of minerals, some agricultural products -- and this drop in our income from exports has complicated the implementation of our economic program.

[Ochoa] I heard your summary of the condition of the country when you took office, and I can sum it up: The country was destroyed; it was really destroyed. You have had to adopt measures that affect the Mexicans' pocketbooks. I presume that these were difficult measures for you to adopt; for example, to authorize prices increases for staples such as tortillas, (?molillo), all in all things that affect us and affect the popular classes. Sir, do you care a great deal about your current image as a popular or unpopular president? Do you care about the image you will bear in history?

[De la Madrid] I do care about my image, but I cannot place the president's image above national interests. If national interests demand a sacrifice of image or hinder my image, I feel that national interests come first. I am not saying this to gain popularity, but to be realistic. A president's image can be favored within the short term if measures are not adopted and reality is not accepted. However, sooner or later the people become aware of those things and are very harsh judges.

[Ochoa] What would you like Mexican history to say about President Miguel de la Madrid?

[De la Madrid] I would like Mexican history to say that I fulfilled my duty as president with patriotism, within the difficult circumstances of my term.

[Ochoa] Sir, do you like being president of Mexico?

[De la Madrid] Yes, I do. It is a precious activity because of the view it gives one of the entire country and because of the great responsibility it implies regarding the interests of millions of people -- not just the interests of the people of the present time but the interests of future generations. I believe that professionally it is a very interesting job, but it is also very emotionally stimulating.

[Ferreira] Have you ever suffered when making a decision?

[De la Madrid] Of course.

[Ferreira] When have you suffered as the president of Mexico?

[De la Madrid] When I am forced, as you said Guillermo [Ochoa], to establish higher prices for products, when I have to limit social programs, or constructive or development programs. One feels frustrated at not being able to do more.

[Ferreira] Sir, you spoke about an economic reorganization. What plans do you have at this time for Mexico's economic reorganization? It is a problem that affects us all.

[De la Madrid] The economic policy of the government I head has two main aspects: economic reorganization and structural change. The economy is in disorder; it is in disorder due to internal and external factors. During the past months it has been very much affected by the oil problem, which has suddenly left us short by 30 percent of the value of our exports and more or less 12.5 percent of our total public income. This, in response to an economic program and a budget that are in themselves very tight, has become a factor of new disorder in our economy, especially due to external factors that emerged before we overcame the disorder that we found earlier. Structural changes are also needed; that is, reforms that affect or refer to productive structures and forms of production, because it is obvious that if we are experiencing a crisis it is because the country has not had the structural capacity or the capability to organize its economy in a way that would allow it to respond to challenges and sudden changes of fortune.

We need structural reforms such as the balancing of public finances, such as the decentralization of national life, such as the reorganization of the productive apparatus toward foreign markets, and in general the establishment of the technological progress the country needs to further modernize its productive apparatus for properties and services. I would say then, that we need to continue reorganizing our economy and making the structural changes that Mexico needs to become a more efficient and productive country.

[Ferreira] What structural changes are you referring to?

[De la Madrid] It seems to me that during the past few years Mexico's economy has become overly dependent on oil in the aspects of foreign exchange income and fiscal income. Last year Mexico earned almost 70 percent of its foreign exchange income from oil. This constitutes an excessive dependence.

Between 40 and 50 percent of the government's fiscal income, depending on how you view the situation, comes from oil. When there is such an excessive dependence on a single product, what we are experiencing now happens. As a result of the decline in oil prices, which have dropped by more than 50 percent from last year's prices, the Mexican economy has been seriously affected, and it needs to make a great effort to overcome this situation. What is the answer to this problem of excessive dependence on oil or, as someone said, the petrolization of the Mexican economy? We must go back and diversity our productive structure. Fortunately, we have the natural resources to do this. We have agricultural, forestry, cattle breeding, fishing, and mining resources. We have a very well-developed industrial sector. We have tourism. We are a country with a very important basic structure. I believe it is within the country's possibilities, of course by way of a great effort, to return to a very well diversified economic structure so that it will not be so dependent on what happens in a single product's market.

[Ferreira] Are you expecting a response from the people? What are the Mexicans going to do?

[De la Madrid] I believe I have received a response. In the first place, the Mexican people have demonstrated that they are very intelligent and can understand their reality. In one way or another, with greater complexity or sophistication as is said nowadays, the Mexican people know what is happening. They are aware of what is happening, and they have reacted. The good things that have happened in Mexico cannot be attributed only to the government, just as the government cannot be blamed for all the bad things. These things are, for the most part, the result of the joint effort of all Mexicans of all the social classes and all of the regions in the country, who have tried to overcome this crisis, which has no precedent in the post-revolutionary period.

[Ochoa] Do you believe that during the sexennium of your government the crisis can be overcome? Do you see prospects of a prompt solution?

[De la Madrid] There will be no prompt solutions because, generally speaking, the world is facing a very complex economic situation. I do not believe, for example, that oil prices will recover to the levels of a few years ago within the short term. When I took office oil was being sold at approximately $28 to $29. Today it is sold at $11 or $12. The drop has been tremendous, and I do not believe -- due to the market's circumstances -- that oil prices can recover within a very short time.

Structural reforms cannot be made at once. They must be made gradually, and they take time. Consequently, I cannot offer a total solution to the crisis during this sexennium. I can offer to decrease the negative effects of the crisis. I can offer to make the greatest effort to make an economic reorganization and structural changes. I can offer to make every effort to overcome the basic causes of the crisis and to establish new bases for Mexico's future development. I believe that Mexico has a future, it is a viable country, it is a country that has resources, that has a population trained or trainable for development. It is a country that has solid and stable institutions, and consequently, in this complex era we are living in, Mexico is among the countries best equipped to survive as a sovereign and independent nation. This is easy to say, but it is a challenge for many countries in the world.

[Ferreira] How will you face the challenge of unemployment in Mexico?

[De la Madrid] The basic goal we must have at this time and for the short term is to prevent economic difficulties from making us retreat and from making the economy unable to provide jobs for the Mexicans. So far, since 1982, the unemployment problem has not worsened substantially. We continue to have an old Mexican economic problem, which is part-time employment, or disguised unemployment. If you, for example, ask your friends in certain parts of the country, you will see that there are regions in our country where there is no demand for manpower in order to overcome what is happening in their economies. There are certain areas where there is an open unemployment problem that is somewhat serious, such as in the metropolitan area of the valley of Mexico, and in the metropolitan area in Monterrey. In the rest of the country the problem of open unemployment is not serious.

[Ochoa] Sir, I feel obliged to express what I hear in the street, what I hear from people. One of the things we must discuss is the foreign debt, which is truly enormous. Some people say do not pay the debt. Anyway, we are in bad shape. Prices increase daily they say, [words indinstict] and do not pay. Have you thought of the possibility of saying that we simply will not pay? What would happen?

[De la Madrid] We have not examined all of the possible options. We must examine them thoroughly. So far it seems to us that it would not be advantageous for the country to fail to comply with its obligations, because so far we have been capable of making certain arrangements to reschedule deadlines and to pay the foreign debt. We have had the foreign exchange to fulfill these commitments. However, as I have warned, the impact of the oil crisis has changed the situation. Our income has dropped, and we have no way of replacing this income rapidly. At this moment I am negotiating with other countries to adjust the payments of the foreign debt interest to our own payment capabilities, and I understand that the capability to pay should be measured in a way that a drastic fall of the Mexican economy will be prevented, and we will be allowed to recover our growth. We must remember that in 1982 there was practically no growth, but there was no drop in growth either. In 1983 we had to face a decline in economic growth of approximately five points. In 1984 and 1985 we grew and would have continued to grow in a firmer manner if the oil crisis had not emerged. I am afraid that there will be no economic growth this year. However, we must behave in a way that will allow us to recover the capacity to grow as soon as possible. I believe that if growth this year cannot be positive, we should achieve growth during the last 2 years of my administration, 1987 and 1988.

[Ferreira] The [word indstinct] confronts us with a very serious problem. Currently, there is talk about our sovereignty and independence. I don't know if, because of such a serious problem we face, we are also facing pressures. I would like to ask you: How difficult is Mexico's situation with regard to its sovereignty and independence at this moment?

[De la Madrid] Well, sovereignty and independence are qualities that must be maintained always. This is a permanent struggle in which nothing must be taken for granted definitively, that is, the capacity for self-determination, for self-government without submission to foreign power centers. I understand this is the modern concept of sovereignty. Mexico has sovereignty and independence. It has to negotiate with the outside world because no nation can now be totally isolated from the world. We have to try to maintain the best possible relations with our neighbor to the north, which is the leading power in the world in terms of economic, military, bargaining, and communications capability. However, the United States does not always have an adequate knowledge of Mexico and occasionally certain groups that hold a given ideological stance point out that Mexico can only be happy if it is like the United States.

We know that this cannot be. Our countries are different because of their history and culture, and we do not want to be like anybody else. We want to be, or continue to be, the way we are, based on our own decisions and our own history. Naturally, we must see what we can get from the outside world and adjust it in order to absorb it.

[Ochoa] Did our position with regard to Central America provoke this, sir?

[De la Madrid] This is probably the case with some ultraconservative U.S. groups. However, since our position with regard to Central America advocates negotiation and pacification, I think we are on the right path. Proof of this is that in the United States there have been frequent manifestations of support for Mexico's actions within the Contadora Group. There have been nothing less than unanimous resolutions of the U.S. Congress, statements by President Reagan himself and by some of his officials. However, there are some who say that, because it has adopted very independent stances, Mexico is now facing economic reprisals. Thus far, I have not felt them in this direct manner. However, I do disagree with what others -- even our own compatriots -- think, that Mexico must do exactly what the United States says and this way the money will arrive. I think this is a mercantilist view of our fatherland which a Mexican president cannot accept. Over and above our immediate material interests are our history, our sovereignty, and our dignity as a people. I think that this way I am interpreting the feelings of the overwhelming majority of Mexicans.

[Ferreira] In other words, the pressure of the debt will not bring a change in our foreign policy?

[De la Madrid] Well, no, because one cannot trade dignity for lentils. These are things that have to be upheld permanently and firmly.

[Ochoa] If you will allow us, we would like to return to....

[De la Madrid, interrupting] Yes, of course.

[Ochoa] With regard to the foreign debt, I said a while ago that I think that in some way I must be a sounding board of what I hear.

[De la Madrid] Of course.

[Ochoa] We have a foreign debt that is a tombstone. It is very large. We are repaying it and this does not let us Mexicans live well, sir. Better put, many people [words indistinct].

[De la Madrid] One of the factors.

[Ochoa] Yes, one of the factors. However, many say: If I had enjoyed it it would be all right. If I had incurred the debt, it would be all right. However, I think that many people feel that what was lent to us did not have a clear destination. Sir, would you say that [the funds] were properly invested? Do you know if this was the case?

[De la Madrid] I would say that, in large part, the foreign debt was devoted to productive purposes. If we look at the statistics, which you can look at because they are public, we incurred the debts to increase our production of oil, electricity, fertilizers, and steel and to expand pier, road, and railway infrastructures as well as our farm credit and housing programs.

Mexico's debt does not have the characteristics of the debt of other countries in the world, where the debt was generated by a great arms buildup by the governments.

In Mexico, the debt was used fundamentally for production purposes. Of course, it was also used in the overall handling of the economy and, in this regard, it is debatable whether at a given moment we were wrong in borrowing so much to keep the exchange rate artificially low. This is debatable because circumstances are viewed differently depending on the moment. However, I do think that it is advisable to point out that many of the dams, thermoelectric plants one can see, the nuclear power plant we are building, the expansion of Pemex and other public enterprises, the housing, and the hospitals stem from the partial support we got from the foreign debt.

Many people say: How terrible, we Mexicans made a mistake by borrowing so much. Well, I would add that this was a common mistake of Mexicans and the creditors, because the bankers loaned us money under the supposition that Mexico's economy would continue to grow, fundamentally spurred by oil in a scenario of growing prices. Actually, we Mexicans accepted less money than we were offered by the bankers, who, as they put it, had to recycle or lend the money they were receiving as a result of world economic situation at that time. If one looks at the magazines specializing in oil during those years -- the years 1978 and 1979 -- one can see that they predicted a continuing rise in oil prices and, therefore, Mexico was a country that had to be spurred into continuing to produce more oil and, in general, to expand its economy. We debtors and creditors were wrong at that time and we must straighten things out jointly and in concert.

[Ferreira] Sir, please tell me something. Many people point out that there was a flight of capital. They talk about huge amounts, of millions upon millions of dollars that are [words indistinct] subsidizing the United States [words indistinct] the banks have Mexican capital. Has any capital returned? Early this year, it was said that many Mexican capitalists were repatriating funds.

[De la Madrid] This matter of the flight of capital is a very interesting topic. During the last few years -- I would say during the last 4 or 5 years -- the United States has deliberately pursued a policy of attracting financial resources from abroad because it has a huge deficit which it has not been able to control, basically because of its arms spending and other types of spending it has not been able to cut. They have to finance this deficit and also the deficit in their foreign trade.

It is a curious thing that we talk so much about deficits in the world. Some people say that the generation of the latter part of this century in the world is handling a problem of deficits -- financial deficits, deficits of satisfaction for the community, and even moral deficits. All countries are reaching the end of the century in a very troubled situation.

What has the United States done to attract capital? Its policy has been to keep a strong dollar, that is, an overvalued dollar and it has also pursued a policy of high interest rates. Therefore, they have attracted capital from Europe, Japan, and Latin America. Of course we Mexicans are very sensitive to this situation and, naturally, there have been very substantial transfers of capital.

Also, in view of the high interest rates, Mexican businesses have tried to amortize their debts at maximum capacity. In my opinion, this cannot be characterized exclusively as flight of capital but as transfer of capital. I agree, there has been flight of capital. However, I feel that a flight of capital occurs when people take their money out of a country out of fear or insecurity.

Generally speaking, the transfers of capital have other mechanisms, such as the extremely high interest rates which the U.S. Treasury has been paying. This is a magnet that attracts capital through a strong, overvalued currency and high interest rates.

[Ochoa] Do you feel, Mister President, that those who have money -- only the ones who have money can take it out of the country -- have confidence in the government or that a lack of confidence in the government has been responsible, to a great extent, for this so-called capital fight?

[De la Madrid] It has been a problem of uncertainty. I think that confidence and certitude are very closely connected. There is no doubt that we are experiencing difficult, uncertain times from the economic standpoint, and this has led some Mexicans to transfer their savings abroad. Many Mexicans who were even thinking of taking up residence outside our country have realized that, comparatively speaking, Mexico continues to be a quite comfortable place to live.

[Ochoa] In the last few days, the dollar peso-exchange rate has climbed very high.

[De la Madrid] This involves a speculation phenomenon. In view of the drop in oil prices, and in view of lack of clarity in the financial negotiations we are carrying out with the foreign countries, some Mexicans want to hedge their bets. They place their personal interests above those of the nation and have excessively increased the demand for dollars. The government's policy is not to maintain an artificial exchange rate but to let the market set the exchange rate. Last year, after the earthquakes, we also experienced a phenomenon of this nature. The dollar quotation rose. It rose artificially but then slipped. When it slipped many of those who had speculated against the peso lost large sums of money.

Another thing that is worrying Mexicans very much is that some U.S. banks are in trouble and that some U.S. banks have engaged in money laundering and are subject to investigation. Therefore, keeping the money outside Mexico no longer looks very safe or like the best thing to do. In addition, because of our policy of curbing credit and public spending, a certain amount of capital has returned during the last 4 months. This repatriation of capital has been noticeable, particularly during the period January to April.

[Ochoa] Sir, there is talk of an Aztec plan. There is much talk about the existence of an Aztec plan. Then it is denied that there is an Aztec plan. [Words indistinct] a so-called Aztec plan exists?

[De la Madrid] Look, Guillermo, the plan we have is the national development plan. This is a medium-term plan -- from 1983 to 1988 -- the time the administration will last, as is usual in Mexico. This plan involves a general strategy, but we must adjust our tactics to circumstances. There is talk of an Aztec Plan in the pattern of Argentina's Austral Plan, or Brazil's Cruzado Plan. Actually, even though we have very carefully analyzed the experience of those countries -- which, by the way, is not turning out to be too favorable in the case of Argentina, which has been applying the Austral Plan during the last 1 and 1/2 years, and in the case of the Cruzado Plan, which is barely 2 months old -- we feel that the economic measures that have been adopted in those countries are not applicable to Mexico's circumstances. Therefore, our government is pursuing the policy of sticking to the fundamental strategy of the national development plan and making tactical adjustments depending on circumstances. In sum, for the time being there is no Aztec Plan in the offing.

[Ochoa] Sir, has control been lost in matters of inflation?

[De la Madrid] Well, it has not been lost because it has not skyrocketed to hyperinflation levels, as it occurred in Argentina and Brazil. Although we have not been able to reduce inflation and it has even skyrocketed to some extent, it has not run amok as happened in Argentina and Bolivia. In the first of these countries, inflation reached 1,000 percent per year. In Bolivia, inflation reached 10,000 percent per year. This is why I feel Mexico's inflation has been kept under control. Unfortunately, however, we have been unable to reduce it due to the external economic circumstances we have had to cope with. The government's policy is to keep trying to reduce inflation and keep it under control while at the same time avoid falling into a recession in which economic activity will decrease.

One of Mexico's fundamental necessities is to create jobs and this is attained solely through economic growth. This is the balance that we must achieve: inflation control, economic growth, and job generation. Due to its geographical location, Mexico can become an important part of what is now termed the Pacific Basin, formed by Asian countries and those of the American continent on the Pacific seaboard. Mexico must diversify its economic relations. One way to do this is to become a part of and promote its active participation in the Pacific Basin.

[Ochoa] Thanks, Mr President. We have previously discussed the Mexican-U.S. relations. Some think that these relations have reached bottom. What is your opinion?

[De la Madrid] No, the lowest point occurred in 1847, when they seized half our territory.

[Ochoa] How would you describe these relations at present?

[De la Madrid] I would describe them as difficult and complex. The two governments, however, are most willing to overcome their disagreements and conflicts. It is a difficult and complex relationship. They are two big countries, one beside the other. The two have developed to widely different extents. The United States has 250 million people. Mexico has 80 million people. The two states' degree of development is very different. Our historical and cultural backgrounds are very different. Therefore, these differences lead to a very different approach to problems. We do not always agree, although I must stress that we have reached an agreement on many things. Ours is a permanent negotiation process in which Mexico insists that it wants cordial, positive relations with the United States, yet always with dignity and mutual respect.

[Ochoa] Regarding Mexico-U.S. relations, drug trafficking has been mentioned. Apparently, it has become common. Many people participate in a business like this. It has been said in the United States that between $20 and $25 million [figures as heard] worth of drugs are consumed here. Charges have been presented against Mexico. A senator by the name of Helms [name as heard] -- I think this is his name -- who works as customs director has even involved a relative of yours. The customs director did not mention the name at the Senate's committee. They did use this name later, however, they mentioned someone by the name of Eduardo de la Madrid, reportedly a relative of yours.

[De la Madrid] I think this is a human tendency, not to acknowledge one's own problems and try to find the root of such problems elsewhere. I have said -- and this is the Mexican Government's policy -- that the drug trafficking problem is an international crime. It is an international crime. Therefore, our countries must assume their own responsibilities in our own territories and outline cooperation plans to combat more effectively this terrible crime that has become one of the present society's main cancers.

Mexico has been doing this. We devote large sums of money to this. A large portion of our army and the Mexican police system is engaged in combatting this drug trafficking. There are problems in the United States. As you have mentioned, Guillermo, the United States is the world's largest drug consumer. Of course, we are very much concerned that the drug somewhere -- I personally feel this has been exaggerated -- passes from Mexico into the United States. Well, I want to point out that this drug enters the country, moves, and is carried great distances. Unfortunately drug consumption in the United States, far from diminishing, is on the increase.

[Ferreira] Regarding the involvement of a relative of yours, Eduardo de la Madrid, who was [words indistinct]?

[De la Madrid] Well, I have many relatives, naturally. Ours is a large family. As far as I know, I have no relative named Eduardo de la Madrid. I think someone else must have been meant. Yet I have said this in public, and now I reiterate it. There are no relatives when it comes to the exercise of the Presidency and the application of law. Should any relative make a mistake he will have to answer to law. I also stress that no slight or vague charges should be made. Proof must be produced. I asked the attorney general -- regarding statements quite irresponsibly made by the U.S. customs official -- to request proof from the U.S. Government. Garcia Ramirez addressed the U.S. Embassy in Mexico in writing. Their response is that it has been heard, it has been said, rumors have it. No specific proof, however, have been produced about the matter. I repeat, regardless of who the involved person may be, whether he is an influential person, a politician, or a relative, if proof is produced, the law will be applied in all rigor.

[Ochoa] Sir, some feel the Mexican revolution has already changed its basic, initial plan for a technocrat program. It has been said that technocrats have replaced politicians. What is your opinion, sir?

[De la Madrid] Well, I feel the Mexican revolution is a very complex phenomenon and its application can be interpreted in several ways. Some feel that armed actions constituted the Mexican Revolution. No, I feel the Mexican Revolution is represented by the ideas that sprang from a great struggle in which armed and violent episodes occurred. As far as I am concerned, the Mexican revolution is best described in the 1917 Constitution with the amendments, add-ons, and updatings that we have introduced to it. This is my government's project. My government maintains the project of the Mexican revolution in accordance with the text of the 1917 Constitution. It is not a vague or ambiguous idea. Its ideas are those embodied in the 1917 Constitution.

Regarding the difference between technocrats and politicians, I see that those who feel they have not become a part of the current administration -- and they are very few -- describe themselves as displaced politicians. They have come up with this somewhat exaggerated term of technocrat to label those who are in charge of implementing the government's political instruments. I think this differentiation is not very important. It is not a good instrument to analyze and judge Mexican politics. I do not think there is a political class that has the exclusive right to make politics in Mexico. I think every citizen, according to the constitution, is entitled to participate and act in politics. Hence, we do not admit there are classes to which we must attribute the exclusive right to participate in politics in Mexico.

[Ochoa] Sir, regarding the government team, the arrival of Alfredo del Mazo in this Cabinet was for many the sign that the so-called presidential race had begun. What can you say about this, sir?

[De la Madrid] It is only natural that, as a government and an administration progresses through its term, the topic of the presidential succession begins to come up. It is only natural that some look to state secretaries, mainly because up to now this has been the source of the presidential candidates of the ruling party. I feel, however, that politics has time and rhythm. I feel the presidential succession will begin to be discussed in earnest as of the beginning of 1987.

[Ochoa] Now that we mentioned politics, I want to tell you about the PRI's unfulfilled goals. Much has been said about this. Do you think it is necessary to change the PRI's structure, modify or renovate it?

[De la Madrid] It is necessary to modecnize, renovate, and strengthen it. I think, however, that regarding its basic outline, ideological platform, statement of principles, and political platform, this party embodies the doctrine of the Mexican revolution in a way that has so far been backed by the majority of the Mexicans.

UNOMASUNO SAYS U.S. MUST NOT IMPOSE SOLUTIONS

PA061807 Mexico City UNOMASUNO in Spanish 2 Jun 86 p 3

[Editorial: "With the United States, Dialogue Is Not Weakness"]

[Text] Contrary to that which is established by the principle of reciprocity and mutual respect in the relations among states, the recent interparliamentary meeting between Mexico and the United States has once again shown the attempt of our neighbor to impose unilateral approaches to and views on the problems of interrelation. In this way, key issues such as foreign debt, migrant workers, foreign investments, and drug trafficking, far from receiving an objective and balanced treatment that would result in mutually accepted solutions, become reasons for pressure that eliminate a dialogue. This only favors U.S. sectors that still believe in and practice, in the late 20th century, intransigence and a policy of force that belong to the world's society of the previous century.

In view of such conditions, the attitude of Mexican legislators was to ratify the principles and criteria maintained by Mexico in its relations with the United States. These principles and criteria, far from being based on current circumstances, are based on past experiences that must not be ignored. In fact, in the face of the adversities of a neighborhood relationship that also makes evident the difference between cultures and two worlds, the Mexican position has blended, in an effort for reconciliation and realism, the defense for these principles with a diplomatic flexibility needed to keep the paths of negotiation and dialogue open in the face of intransigence.

Unfortunately, certain U.S. sectors are confusing Mexico's willingness tc negotiate with weakness and its sovereign right to carry out its own foreign policy, particularly regarding Central America, with an act of disobedience or confrontation. Continuing to believe this double mistake has inexorably led the interparliamentary meetings and other dialogue and consultation mechanisms established between the two nations to failure. This has also led to a search to negotiate from a position of force instead of promoting understanding. In substance, this shows a historic ignorance of our country that cannot be justified, much less on the part of those who have coexisted with Mexico since its beginning as an independent nation.

The current U.S. Government, the ruling political sectors, and U.S. society in general must understand that the solutions to the problems in our relations and the establishment of a constructive and respectful coexistence cannot appear if they insist on violating our sovereignty and the country's self-determination by trying to impose solutions that can only stem from, on the contrary, our national free will.

SILVA HERZOG ON OBTAINING FOREIGN CREDIT

PA061544 Mexico City UNOMASUNO in Spanish 4 Jun 86 pp 1, 11

[By Luis Acevedo Pesquera]

[Excerpt] Finance and Public Credit Secretary Jesus Silva Herzog cautioned last night that for the next 10 years it will not be easy for Mexico to obtain foreign credits. He said that the 28-percent increase in nonoil exports secured during the first 4 months of 1986 is not enough to have "a reasonable economic growth rate."

Silva Herzog said that foreign commerce is a challenge that must be faced to reach structural changes, and this is why, he said, export promotions, low-income agricultural and livestock activities, and popular housing projects, "have not been subjected to the credit restrictions" now in effect in the country.

The finance secretary made this statement during the presentation of the "Exporters Manual" published by Confia Bank. He also noted: "it is no longer reasonable to expect that in the next few years we will have any significant income from the sale of oil or that financial negotiations will be easy."

He said that although in recent years these two factors permitted financing fast growth in the country, paying for necessary imports and fullfilling commitments abroad, now that situation no longer exists.

"If we want a reasonable economic growth rate, this can be achieved only through an additional, systematic, and enthusiastic push in nonoil exports. This will be the only source of foreign exchange for the next 5, perhaps 10, years," he cautioned.

Silva Herzog said that in order to resolve the country's foreign exchange problem, four priorities must be considered. The first one is the will of the government to promote nonoil exports. The second one is the need to secure reasonable economic growth rates on a healthy basis and supported by foreign commerce.

Regarding this point Silva Herzog said that "our country has not been oriented toward exports. It has always looked inside and until now it has never looked outside. The challenge is to orient our economic activities having foreign markets in mind and thinking about opening new markets."

Silva Herzog said that the third priority is financial support. He said that exports as well as low-income agricultural and livestock activities and low-cost housing projects have not been the object of credit restrictions by the national banking system.

He said that during the first 5 months of the year, exports have received larger credits from the foreign Commerce Bank than had been expected. This bank's 1986 budget is 2.2 billion pesos in spite of the fact that one characteristic of Mexico's financial system has been restrictions.

He stated as a fourth point that all the actions of the country's economic policy are aimed at securing structural changes in order to guarantee an adequate participation by Mexico in international commerce.

TRADE UNIONS SUPPORT FOREIGN DEBT MORATORIUM

FL111344 Mexico City NOTIMEX in Spanish 0423 GMT 11 Jun 86

[Excerpts] Mexico City, 10 Jun (NOTIMEX) -- Rafael Riva Palacio Pontones, president of the Mexican Labor Congress, has said if Mexico declares a moratorium on foreign debt payments the 33 members of the labor organization will unconditionally support the government's decision. Despite the federal government's increased efforts to overcome Mexico's economic crisis, Mexico is backed against the wall, said the labor leader, because if we declare a moratorium, we will no longer depend on international financial organizations.

For his part, Alfonso Reyes Medrano, economic advisor of the Confederation of Mexican Workers (CTM), has said the seriousness of the economic situation is not just financial, but real, and at this time the only way Mexico can continue timely debt payments is through foreign financing.

The Inter-American Regional Organization of Workers (ORIT) said the IMF should reform its current financial system. Otherwise, the debtor countries will collapse.

Finally, Silvestre Gonzalez Portillo, leader of the national trade union of transportation workers, reported that if Mexico decides to declare a moratorium, he will call on the country's democratic organizations to demonstrate in the streets in support of Mexican President Miguel De la Madrid.

Miguel Borge Marin, president of the Mexican Senate's Economic Commission, reiterated that Mexico should maintain its negotiating position on the country's foreign debt.

BRIEFS

DRUGS CONFISCATED -- Federal Judicial Police agents have confiscated 9 kg of opium paste and by-products with a black market value of 3 billion pesos (over $5 million) and arrested the owner of the illegal laboratory which processed it in apatzingan, located in the western Mexican State of Michoacan. Gulmaro Peralta Espinoza, owner of the aforementioned laboratory, said that after obtaining opium paste in petatlan, located in the southern State of Guerrero, he would convert it into heroin and morphine and then would send it to California. Federal Judicial Police agents from the narcotics group confiscated 125 grams of pure heroin, 675 grams of base, 5 kg of opium, and 3 more kg of heroin paste, as well as different utensils used to process them. While the Federal Judicial Police started to trace the ones who smuggled the drugs from Guerrero to Michoacan, the U.S. narcotics department was given the necessary information to conduct the investigation in that country's territory. [Text] [Mexico City NOTIMEX in Spanish 0002 GMT 11 Jun 86 FL]

ABADIA COMMENTS ON CONTADORA, RESIGNATION RUMORS

PA111527 Panama City Televisora Nacional in Spanish 0000 GMT 11 Jun 86

[Excerpt] Foreign Minister Jorge Abadia Arias will not resign.

Minster Abadia has said that the Contadora and Support Group presidents will meet at the end of the year, even though the place of the meeting has not yet been decided. This will be a preparatory meeting for the Latin American presidential summit. At that year-end meeting, the presidents will discuss common problems.

Minister Abadia said that the Central American foreign ministers were not authorized to sign the peace document, but that they were pleased with the proposal presented, which they will discuss with their corresponding presidents.

Regarding rumors about changes in the Foreign Ministry, Abadia said:

[Begin recording] To mention names for government positions is part of Panamanian tradition. I do not think it is worth anything to speculate on that. We will continue in our position as long as the president considers that we are serving the country well. Once the president considers that someone else should assume the appointment, there will not be any problems. He will decide when, and he will decide not only on my position, but on that of all the ministers. We are working with a patriotic interest, and we will continue as long as the president considers this suitable. [end recording]

Legislator Pushes for Resignation

PA111529 Panama City LA PRENSA in Spanish 11 Jun 86 p 1

[By Flor Quintero]

[Text] Pedro Brin Martinez, chairman of the Foreign Relations Committee of the Legislative Assembly, and a large number of Democratic Revolutionary Party [PRD] legislators yesterday requested the resignation of Foreign Minister Jorge Abadia Arias for not handling Panama's foreign policy within the framework of Torrijism and nonalignment, which comprise the essence of the PRD's foreign policy.

For his part, Abadia Arias told LA PRENSA that the rumors about his alleged resignation are "part of Panamanian tradition" and that he will hold his office "as long as the president of the republic believes that we are serving the country well."

Nevertheless, Brin Martinez said that "there is a consensus among most of the legislators of my party, particularly those who are knowledgeable in foreign policy, that Dr Abadia should resign."

The PRD legislator added that "we have been harshly criticizing Dr Abadia Arias because we believe that he has failed and that he should give way to another member of the party who can better direct this country's foreign policy within the guidelines of nonalignment and Torrijism."

"We believe that Dr Abadia Arias has carried out a policy that is very much aligned with the United States, and that is not the policy of a Third World country at this time.

"In addition, on several occasions we have urged him to present to the Legislative Assembly a bill on the reorganization of the foreign service to improve our diplomatic relations; he has refused to do so," Brin Martinez said.

Asked if he believes that the apparent failure of the Contadora Group means a diplomatic failure for the PRD, in view of the fact his party promoted those efforts, Brin Martinez said: "No . . . I do not think it is a failure of the PRD or exclusively of Dr Abadia. It has been the failure of a geopolitical situation that has taken place not only in this area, but at the international level."

Brin Martinez believes that the failure "has been due to the fact that the parties involved in the conflict have not wanted a consensus to achieve peace in Central America. As long as the two poles of influence in the world -- the Soviet Union and the United States -- do not reach agreement, I believe there will be no peace in the Central American region."

Brin Martinez urged Foreign Minister Abadia to appear before a full session of the Legislative Assembly so that he can explain "how much has been spent on the Contadora Group," because the people must be aware of all public actions.

In this regard, he said that "it is absurd that such expenditures are being made at a time when we face great difficulties in paying the foreign debt and even in paying for the social and economic development programs that we want to carry out in the country."

In conclusion Legislator Brin Martinez warned that "we cannot continue to waste public funds on such adverse future negotiations, which in the end are always going to be unproductive because there is no will on the part of those who direct the conflict in Central America."

Speculation on Possible Replacement

PA111631 Panama City EXTRA in Spanish 11 Jun 86 pp 1, 2

[Text] President Eric Arturo Delvalle could appoint PRD Legislator Alfredo Oranges as the new foreign minister, replacing Jorge Abadia Arias. The Cabinet change could result from pressures exerted by PRD legislators against their fellow party-member Abadia Arias, whom they accuse of conducting a foreign policy unfavorable to the country. This was confirmed yesterday by several progovernment legislators who are only waiting for President Delvalle to accept their suggestion. According to the PRD legislators, Foreign Minister Abadia has implemented an anti-Torrijist policy and has opposed the principle of nonalignment, which was instituted by the party's leader, Omar Torrijos Herrera.

CRITICA SAYS MANFREDO BECOMING 'U.S. SPOKESMAN'

PA071803 Panama City CRITICA in Spanish 7 Jun 86 p 2

[Unattributed article: "Panama First, Panama Always!"]

[Text] The position that Fernado Manfredo has adopted as deputy administrator of the Panama Canal is deplorable.

His public and deliberate desire to serve the interests plotting in the United States against the Torrijos-Carter Treaties calls for an open and very frank debate. Manfredo has become a U.S. spokesman. He began with his statements to James Le Moyne, correspondent of THE NEW YORK TIMES, and has continued with his remarks in forums, seminars, and conferences where he has reiterated that our government is not concerned or getting ready for the commitment it must assume in the year 2000. He forgets that he should create the favorable conditions for the Canal's transition to Panamanian jurisdiction.

If, as President Reagan states, Panama and the United States are and will continue to be partners in the Canal -- that great work in service to peace and trade among the world's peoples -- we see no reason why Manfredo should unilaterally point out the responsibilities that concern our government. They are bilateral responsibilities and training programs for technical personnel in which North Americans and Panamanians are obliged to work within the most productive harmony. To publicly challenge and ridicule the carelessness and lack of foresight of national authorities, regardless of their political affiliation is not the task of a citizen of this country, which is small in population and territory but big in courage and dignity. Above his status as a U.S. federal employee, Fernando Manfredo is a Panamanian and by defending Panama, he is paying his fatherland for the honors that he has received from it since 1968. At some time he will lose his post of deputy administrator, he might even have to exercise his profession, everything is possible, but not that Manfredo will displace retired General Dennis McAuliffe as a spokesman of the U.S. interests.

The campaign orchestrated by Washington to provoke the revision of the Torrijos-Carter Treaties cannot be substantiated by the unjust warnings of a compatriot, a man forged in our land, "filled with horizons of hope and paths of goodwill."

Manfredo is an official who, earning the Panamanian state's confidence, was included in a list of three candidates and was appointed for the post he now holds as a Panamanian representative. Panama does not deserve the embarrassment of having a national who has wholeheartedly devoted himself to the scheming of the "USA establishment." [preceding phrase in English] Dignity is more important than a salary and more lasting than a high-ranking administrative post.

If Manfredo does not have the courage to express our truth, then he should not become associated with or be utilized by the United States, a world power that has more than enough resources, communications and disinformation media, and well-paid repeaters to make known its shameful objectives for the year 2000.

There is currently a joint program for the training of Canal pilots, which is been carried out with very good results. In 1984 the Defense Forces founded the 2000 Battalion, and many soldiers, noncommissioned officers, and officers receive training in the new security doctrine and the technological fields that will be essential so that the recovery of the Canal and the consolidation of the national sovereignty will not be a failure. Such a failure would have repercussions on the liberation struggle of our mestizo and confident America from the Rio Grande to Patagonia.

We believed that we would never have to loudly repeat on the basis of historic tradition and moral authority a patriotic axiom, a phrase of 2 million Panamanians who made it possible for Manfredo to hold the post he now holds: Panama first... Panama always.

OPPOSITION NATIONAL UNITY COMMITTEE CREATED

PA091930 Panama City LA PRENSA in Spanish 9 Jun 86 p 1

[By Flor Quintero]

[Text] The rank and file of the opposition Authentic Panamenist Party, Christian Democratic Party, and People's Action Party have announced the formation of the National Unity Committee for the Action of the Opposition [Comite de Union Nacional de Accion de Oposicion] and issued a call to the top leaders of these parties so that they may coordinate their actions united in a single force to counter the arbitrary actions of the military sector and the corruption and repression that have prevailed in Panama since 1968.

"If this unity is not achieved, any struggle by the opposition sector is useless," Marcos Alarcon, a legislator of the Authentic Panamenist Party, noted. In this regard he warned that a unity of the opposition forces is the only way to strengthen the struggle that the most honest groups have been waging for a long time against the regime of shame, repression, and aggression that has all but subjugated the Panamanian people.

In a statement given to LA PRENSA, the rank and file of these parties said that "we have formed the National Unity Committee for the Action of the Opposition with the firm intention of forging the only possible national unity: men and women, both young and old, of our dear homeland who are staunchly opposed to this regime."

They called for the achievement of unity among the leaders of the opposition forces as an unavoidable and urgent task to coordinate the actions that must be taken. They also called on "all our compatriots throughout the nation, regardless of their party affiliation, to attain our goals: the full use of democratic liberties and the real, effective, and final change of this current regime of oppression to make our dream of and need for justice a reality."

"If we have taken the side of justice, we must not forget that justice is above any party interest," they added.

The rank and file of these parties noted that they will tirelessly undertake the necessary actions to attain the goals that have been established to make the people's dream come true, "over and above the arbitrary actions of the military sector, in order to install a legitimate government chosen by the Panamanian people."

In conclusion, Alarcon said that unity is the only way to guarantee success in the effort to return the country to a civilian government, defeating the Defense Forces and restoring justice, which is "completely corrupt."

BRIEFS

INTERNATIONAL APPOINTMENTS -- Dr Ricardo Arias Calderon, president of the Christian Democratic Party, was elected vice president of the International Christian Democracy during the congress being held in Lisbon, Portugal. Venezuelan Luis Herrera Campins was elected secretary general. [Summary] [Panama City LA PRENSA in Spanish 7 Jun 86 p 1A PA]

EL SALVADOR

PARTIES TO DIALOGUE COMMENT ON PROSPECTS

Duarte Rejects Capital Meeting

PA111948 San Salvador Canal Doce Television in Spanish 1900 GMT 11 Jun 86

[Text] President Jose Napoleon Duarte said this morning that the third dialogue with the guerrillas will not be held in San Salvador, as the rebels have requested. The president spoke to the media briefly during his visit to the Military Hospital, where he dedicated a pharmacy. He said that it will be the government that will decide how the dialogue will take place, and it will do so at the proper moment. He noted that this week he will meet with San Salvador Archbishop Arturo Rivera y Damas to analyze the overall basis for this meeting, which is expected to take place in the next few months. The government has thus rejected the first FMLN proposal on the third dialogue. The rebels had requested that the meeting be held in the capital.

Rivera y Damas Interview

PA110423 San Salvador Radio Cadena YSKL in Spanish 2300 GMT 9 Jun 86

[Interview with Msgr Arturo Rivera y Damas by unidentified reporters at the cathedral in San Salvador on 8 June -- recorded]

[Text] [Question] (?Radio Venceremos) [words indistinct] launched what the observers have described as a very strong criticism against the role of the church and against Msgr Rivera y Damas himself. We were surprised by the fact that you did not mention this in your homily. We would like to know what your thoughts are about this.

[Rivera y Damas] I would like to ask if there is an institution in this country that can handle the task of humanization of conflict better than the church can. Does the FMLN have another alternative? I do not feel that they criticized me so much for somewhat praising, not really praising, but pointing out some positive aspects regarding President Duarte's efforts, but because I quoted the pope's document on the Holy Ghost in which he stated that communism, rather, Marxism, is a system of death. I know that they are trying to prove that since the majority of the Salvadoran people are Christians that there can be a conciliation between Marxism and Christianity. The truth is that we feel that is [words indistinct] because Marxism is not transcendent, whereas Christianity is. They may have something in common because of the fact that they both work on this earth. However, as far as doctrine is concerned, they have nothing in common because Christianity transcends history and passes to eternal life. This is a characteristic of Christianity, and Christ died for all to have a full life.

[Question] Monsignor, regarding the dialogue: There are some sectors that describe the return of the representatives of the left as a propaganda stunt. What do you have to say about this?

[Rivera y Damas] All those details are of a political nature. I am a pastor and am not involved in politics. They are all politicians, and they will all want to use this moment to their advantage. I feel that the two parties will use the moment as best they can. But this is not up to me to say.

[Question] [Words indistinct] for the dialogue with the guerrillas?

[Rivera y Damas] I went to Panama without meeting with the presidential representatives at the Lima meeting. They should have been there; I waited for them. But I went to Panama without a message from the president. His message came later when he said: Often in your homily, you have said things without warning us. This is why we have brought it up in our speech and, today, 2 June, I express my wishes that you will act as mediator.

[Question indistinct]

[Rivera y Damas] There is a time and place for everything. We need the time to educate the people. Perhaps we will have the chance to do it. However, an act of atonement was in order when they desecrated the church in Aguilares. I think that the same thing happened when the church in Soyapango was desecrated.

[Question] Why is it that the U.S. Embassy is retaking the [word indistinct] positions, the country's humanitarian stances? Why is it releasing bulletins [words indistinct]? [Rivera y Damas] I think that it is to strengthen the position that they feel is favorable.

[Question] Msgr Rivera y Damas, what will be achieved through the dialogue: a political space or peace?

[Rivera y Damas] What will be discussed during the dialogue and where it will lead will be known if meetings prior to the public meeting are held. At these preliminary meetings, held inside the country or abroad, the agenda will be discussed.

[Question] Msgr Rivera y Damas, as mediator in the dialogue you must remember that at the Ayagualo meeting some guidelines were approved. These guidelines called for the appointment of a commission that would study the documents presented. A document was presented by the [FMLN-FDR]-- fronts in Ayagualo. As mediator, will you ask the government to issue a formal written response?

[Rivera y Damas] At the meeting a modus operandi was established. We drafted this modus operandi from the notes taken by government representative Chavez Mena and by Ruben Zamora [of the FDR]. After putting these notes together we drafted the modus operandi that was approved by the fronts. However, we have received no answer from the government. But I think that this meeting will serve as a platform because the government has insisted on the principle of respect for the Constitution.

[Question] Another problem that has arisen is your mediation. Will you act as mediator or appoint a representative?

[Rivera y Damas] I did not understand your question.

[Question] Are you going to appoint someone else to represent you? The fronts have opposed such an appointment.

[Rivera y Damas] I cannot do everything by myself. There are certain tasks that call for a commission. I will be the one to appoint the representatives.

[Question] Have you received a formal request from the fronts to act as mediator?

[Rivera y Damas] I was with them on Friday. No, I mean I met with them on the night of 30 May into the morning of 31 May. We met from 2000 to 0100 in Panama City.

[Question] Who were they?

[Rivera y Damas] Ana Guadalupe [Martinez] and [Salvador] Samayoa represented the FMLN and [Guillermo] Ungo and [Ruben] Zamora represented the FDR.

[Question] Monsignor, going back to my first question. The clandestine station's broadcast was heard after the meeting and after the president's speech. My question is: Do you feel that you have been rejected? Do you think your moral strength has decreased? The station is described as the FMLN's official voice, and what they broadcast is the FMLN's policy.

[Rivera y Damas] I do not know if they have rejected my mediation. I doubt it. That station has attacked me several times, and later they have apologized. I am sure the apology will come.

[Question] Will the church accept the request made by the Worker's Solidarity Coordinating Board to mediate in their conflict? We understand the request was made this week.

[Rivera y Damas] This is a problem that we must study. We have several cases on our hands to resolve. Another case would take up too much time. As you all know, the archdiocese not only handles this type of problem, it does much more work. This is why I said that I would work hard in the next few days because I have a pastoral visit scheduled for late June.

[Question] Has the president told you that he will personally participate in the meeting?

[Rivera y Damas] I am not sure. I have heard that he will, but I am not sure.

[Question] Monsignor, how does the church explain the presence of the national police surrounding the cathedral this morning?

[Rivera y Damas] We do not want it to be occupied again.

[Question] I wish to ask a question. You spoke of the positive aspects of these 2 years of Christian Democratic government. I would like you to name a couple of examples because the situation is worse than 2 years ago: the bombings have not stopped; the military continues to occupy the factories; human rights are constantly violated. Those are negative signs. What about hunger, misery, and repression? What is positive about all this? The fact that the doors to a dialogue have opened cannot be that important when hunger is affecting the people.

[Rivera y Damas] I am not saying that we are not having problems or experiencing a serious crisis, but I have noticed that there have been important changes. We have always been very close to the people's sufferings, and many of those things that concerned us in the past have decreased noticeably.

FMLN-FDR Communique

PA120102 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 2319 GMT 11 Jun 86

["Official communique" issued by the FDR-FMLN; dated 9 June -- place of issue not given]

[Text] 1. On the night of 30 May our fronts met with Msgr Arturo Rivera y Damas to learn from him the Salvadoran Government's stance on the talks. Msgr Rivera y Damas told us that he did not know the government's stance. Shortly afterward, in his 1 June address, President Jose Napoleon Duarte publicly commented on the talks. If it is true that Duarte did not inform Msgr Rivera y Damas, this means that the government continues to both nullify and make use of the intermediary. Msgr Rivera y Damas' comment on the matter on his Sunday 8 June homily is unsatisfactory from every viewpoint.

2. The statement by Msgr Gregorio Rosas Chavez, on 6 June, is false or inaccurate. At any rate, his statement was out of place:

A) It is deliberately ambiguous and ill-intentioned to say that the FDR-FMLN have not accepted the Msgr Rivera y Damas' mediation.

B) It is false that there are mechanisms agreed upon for holding private meetings prior to the public meetings that would take place in July or August. Indeed, there was some discussion on the matter, but no agreement was ever reached.

C) It does not behoove the Episcopal Conference to take upon itself the right to establish formulas and mechanisms through mediation. With all due respect, we must recall that the intermediary in the process of the talks is Archbishop Msgr Rivera y Damas, not the Episcopal Conference.

3. The public stance by some bishops supporting the government's economic policies is truly unbelievable. It is well known that all economic, political, social, and economic sectors in the country reject the package of economic measures which the government approved in January.

4. We are concerned about the human insensitivity and political overtones of some bishops in the face of the cruel repression which Duarte and General Onecifero Blandon have unleashed against popular movements in cities and against civilians living in misnamed zones under control. Repression increased from the moment Duarte agreed to resume the talks. This situation begs the question of whether the talks are thought of as a smokescreen to hide the campaign of captures and murders from the international public.

5. The FDR-FMLN inisist that the mediator must be strictly neutral. The church hierachy must adopt a more constructive attitude on all matters regarding the talks process. If the current bias continues, it could seriously affect the resumption of the talks.

6. Our fronts are convinced that a process of talks with the government is needed in order to reach a political solution to the conflict we are experiencing. Since 1981, we have said that a constant process of talks should be established, (opened to) the views from different national sectors. The government accepted our proposal in La Palma. In Ayagualo we submitted a proposal on guidelines to ensure that the mixed commission agreed on in La Palma would work. Following detailed discussions, the guidelines were approved. Later, only the FLMN-FDR ratified these guidelines.

In La Palma and in Ayagualo, it was specifically agreed that in the process of dialogue the proposals by the two sides will be discussed, not just the proposals made by the government. We will attend the third meeting based on these agreements. We will strive to ensure that the process which should lead us to a political and just solution based on the consensus of the people is effective.

7. Aware of the demands of the popular movement, we will seriously and responsibly participate in the talks. We demand that the intermediary and the government adopt a similar attitude. In sum, the people will judge those who do or do not represent their interests.

El Salvador, 9 June 1986 [Signed] Executive Committee of the FDR, General Command of the FMLN.

GUATEMALA

CEREZO'S AIR FORCE PILOT SHOT TO DEATH

PA120138 Hamburg DPA in Spanish 0052 GMT 12 Jun 86

[Text] Guatemala City, 11 Jun (DPA) -- Guatemalan Air Force Captain Luis Fernandez Galich, 33, President Vinicio Cerezo's pilot was shot to death and his body was found in the town of Mixco, near the capital, it was reported today. The body of the military pilot showed three bullet wounds in the head. Apparently he had been killed somewhere else and was later left in an area where bodies of murdered people are frequently left.

President Vinicio Cerezo said that the crimes committed in the last few weeks were carried out by people who oppose the eradication of corruption in public administration. Cerezo mentioned recent assassinations, among them of an official in charge of issuing passports from the Immigration Directorate and the security chief of the Guatemalan Telecommunications Enterprise, and he said that all of them had given information regarding anomalies and irregularities in various state enterprises, which would have resulted in cases of corruption in top public and private levels.

Moreover, within the wave of violence that is shaking up Guatemala, it was reported that the body of businessman Paul Alfredo Juarez Lopez was found. It showed signs of torture and a bullet wound in the left temple. It was also reported that some unidentified individuals had shot Gustavo Adolfo Colindres, 24, in San Migues Petapa, near the capital, leaving him with serious wounds. Colindres is the brother of Otto Colindres, who was shot along with his wife in his own house a few days ago. His wife died, and he was taken in serious condition to a hospital.

Cerezo on Increased Violence

PA112015 Guatemala City Radio-Television Guatemala 0400 GMT 11 Jun 86

[Text] President Vinicio Cerezo today admitted that there has been an increase in violence in Guatemala.

[Begin recording] [Cerezo] We definitely have to admit that there has been an increase in the rate of violence, at least of this [not further clarified] nature.

I think he [not further identified] was another victim of the problem of struggling against corruption. We are undertaking serious investigations in this regard. In any case, I think we must state that despite the violence against public officials and individuals in charge of investigating corruption, we will continue to push ahead until we definitely eradicate these actions that bring sorrow to the Guatemalan people.

[Unidentified reporter] [Question indistinct]

[Cerezo] There has been an investigation and we are trying to determine the responsibilities. These types of actions generally stem from people who are opposed to a halt in the corruption. The commander of the firemen who was assassinated some months ago was precisely one of those who had given us information to halt the corruption in high-ranking administrative and private circles. [end recording]

President Cerezo said that his children are outside Guatemala for security reasons.

[Begin recording] [Cerezo] Security will be the result of the consolidation of democracy.

[Reporter] It has been said that officials are the only ones who have security because you have security men [words indistinct] your children are even outside the country due to the lack of security here?

[Cerezo] My children have been outside the country due to the lack of security for some years. They are now returning. We obviously cannot provide that kind of private protection to everyone, but that is why security forces exist and we are trying to improve them to benefit the citizens. [Words indistinct] This is a normal situation. If we did not provide security to the officials, we would be making them a target for the criminals and other groups such as the guerrillas who could very easily blackmail the government. This security is necessary and everyone knows this. [end recording]

TRAFFICKING OF SOVIET-MADE WEAPONS INCREASES

PA120400 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 12 Jun 86

[Text] The Guatemalan Army has reported that the trafficking of Soviet-made weapons has increased lately. A guerrilla identified as Commander Augusto was killed in a clash with the Army in La Cortina farm, Cocales, Suchitepequez Department. Commander Augusto was iuentified by the documents found on him. The report states that the type of weapons found during the search that followed the clash has led to the conclusion that the trafficking of Soviet-made weapons for the guerrillas has increased.

HONDURAS

SANDINISTS FIRE ON 2 EL PARAISO VILLAGES

PA120308 Tegucigalpa LA TRIBUNA in Spanish 11 Jun 86 p 8

[Text] Sandinist forces penetrated some 200 meters into Honduran territory and they used artillery fire to attack the villages of La Picona and La Champa in the Alauca municipality, El Paraiso Department on 9 June.

According to the residents in the area that borders with Nicaragua, the artillery fire reached Las Manos. They also said that in La Picona there are no anti-Sandinist counterrevolutionaries. According to those who reported the incident, the attacks did not produce any casualties. The area is protected by the 6th Infantry Battalion.

NICARAGUA

FURTHER ON CONTRAS' RELEASE OF FRG VOLUNTEERS

Medical Exams Administered

PA112027 Hamburg DPA in Spanish 2005 GMT 11 Jun 86

[Excerpts] Managua, 11 Jun (DPA) -- The eight German volunteers who were released last night by the Nicaraguan FDN were taken today to Managua and underwent medical check-ups in the Alejandro Davila Bolanos Military Hospital. The director of the hospital, Captain Juan Ignacio Gutierrez, said that medical specialists examined the German workers and laboratory tests were taken. He said: "The workers look tired." Some of them are complaining about "digestion problems." Their true health situation, however, will only be known in the next few hours.

Gutierrez said that they had found no sign of torture or beatings but noted that examinations in this regard are being made in the hospital. The initial observations were made last night. The director of the hospital said that the workers were "very happy" over their release and the messages from their relatives. Sources clsoe to the German volunteer workers who remain in Nicaragua have said that this evening (local time), there will be a news conference with the Germans who were held for 23 days in southern Nicaragua's hill region. The released Germans are being kept away from newsmen.

EPS Communique

PA111329 Managua Domestic Service in Spanish 1200 GMT 11 Jun 86

[Communique No 58 issued by Public and Foreign Relations Office of the Defense Ministry in Managua, dated 10 June 1986 -- read by announcer]

[Text] The Nicaraguan Defense Ministry reports:

1. Today, at 1815, the mercenary group holding the eight German citizens who were kidnapped in a cowardly manner on 17 May as a result of a terrorist operation carried out by the mercenaries of the Reagan administration against the Jacinto Baca Cooperative was forced by continuous pressure from the EPS and by the worldwide condemnation of the terrorist action they had carried out to release unconditionally the eight German volunteer workers. The workers were released 3 km south of Presillitas, a town on the banks of a Zelaya Department river.

2. Hours before the mercenary group found itself forced to release the kidnapped German citizens, the EPS had captured two counterrevolutionaries when they tried to cross the road at El Rama, in the Presillitas area, in order to explore the escape route that the mercenary group has had to follow. The information provided by these prisoners facilitated the application of pressure which the EPS had continuously exerted on the mercenary group but without violating respect for the cease-fire situation.

3. The mercenaries released 15 peasants from the area along with the Germans. The mercenary group had also used the peasants as a shield to guarantee their escape from EPS pressure.

4. The military authorites of the EPS currently protecting the German citizens will present them in the next few hours to the FRG Government commission headed by Hans-Juergen Wischnewski.

10 June 1986

FDN Spokesman Comments

PA111917 Panama City ACAN in Spanish 1840 GMT 11 Jun 86

[By Armando Cerrato]

[Excerpts] Tegucigalpa, 11 Jun (ACAN-EFE) -- The rebel FDN today indicated that the capture and subsequent release of eight FRG volunteers in Nicaragua proves the humanitarian nature of its war against a "totalitarian regime." Frank Arana, the spokesman of the anti-Sandinist organization, specified that "the Sandinists have tried to convince the public through much international publicity that our commandos carried out a kidnapping, when in fact it was an accidental capture."

According to Arana, "the Hermenegildo Gonzalez task forces of the Jorge Salazar-2 regional command attacked the Juan and Jacinto Baca garrisons in southern Zelaya on 17 May, destroying them with heavy Sandinist casualties and the surprise of having captured the [words indistinct] who did not open fire and therefore they received "humanitarian treatment at all times," the spokesman addess.

"The only positive thing which the capture and release of the Germans gives to the FDN is international recognition as an important political-military organization of opposition to Nicaragua's Sandino-communist regime," Arana said. As a negative point, the rebel spokesman reported "the death of Commander David during the withdrawal from the Juan and Jacinto Baca garrisons in order to protect the lives of the volunteer workers, and the many dangers and hardships experienced later by the command in charge of their security and well-being."

Frank Arana explained that although the command that was holding the Germans remained [words indistinct] divide it for greater security. "Another positive point," he stressed, "is that it has been shown that the Managua regime cares very little about the security of the international personnel who, perhaps in good faith, arrive in the country to cooperate with its plans."

According to the spokesman, the Managua regime "betrayed the FRG's special envoys and our good faith and humanitarianism by attacking the commandos who were going to release the volunteers on Friday."

"The lives of the Germans were in great danger, and many of our commandos were sacrificed for their protection, but their deaths have not been useless because the rebel organization and the cause of Nicaragua's liberation have won many points with the international community," he added.

CASTRO PARTICIPATES IN HEALTH CARE SEMINAR

FL092350 Havana Radio Rebelde Network in Spanish 2300 GMT 9 Jun 86

[Text] Commander in chief Fidel Castro Ruz, president of the Councils of State and Ministers, has been working throughout the day with the almost 1,000 delegates participating in the international seminar on primary health care that has begun at the Palace of Conventions. He has spoken several times but made comments especially during the panel discussion of the strategies for primary health care during which Dr Abelardo Ramirez, deputy health minister, gave a lecture on the family doctor program. Commander in chief Fidel Castro explained that this program will eliminate the stress hospital on-duty personnel are currently experiencing, and it will include up to 25,000 doctors. They will be part of the 65,000 doctors Cuba will have in the year 2000. He said there are some mountainous areas that have all the community doctors they need and that almost 1 million people will be incorporated in that service this year.

[Begin Castro recording] By no later than 1993 -- that is, in 7 years -- Havana will be completely covered by this kind of doctor. This year almost 1 million people will be incorporated, they will begin to receive these services. Therefore, 15 percent of the population already receives these services. In 10 more years 100 percent of the population will receive these services. The problem of lack of trust in the polyclinics has been solved. The work load of on-duty personnel and outpatient care is decreasing considerably. That is our hope, to someday solve the problem of on-duty personnel. We have gone through all kinds of experiences. This is why I say that this is the only solution we have been able to currently foresee. [end recording]

During the inaugural session the opening remarks were made by Dr Carlyle Guerra de Macedo, regional director of the Pan-American Health Organization in Latin America, who said Cuba's primary health care service could be used as a model. Today seven main lectures were given, and eight panels were conducted in addition to the opening plenary session. This scientific forum will continue until 12 June.

Further Comments

FL100057 Havana Television Service in Spanish 0000 GMT 10 Jun 86

[Text] With our Commander in Chief Fidel Castro in attendance, today began the 1st day of sessions of the international primary health care seminar being held at the Palace of Conventions. During a panel discussion of the strategies of primary health care services, Fidel made remarks on our country's experiences in the creation of a specialty of doctors trained in that area.

[Begin Castro recording] At the same time the family doctor concept was created, the idea of general comprehensive medicine was developed as a new specialty. Previously, the general practitioner was the one who did not study a specialty, the one who did not study further. We said, we have to create a specialty out of the general practitioner. [end recording]

Referring to the social effectiveness of the family doctor, Fidel explained to the delegates:

[Begin recording] I believe sooner or later all socialist countries will follow this concept because the results being achieved cannot be compared to anything else.

The entire population is being served, all high-risk cases are being examined. A doctor does not sit and wait for the sick person to come, but he systematically visits the sick person. They can talk to you about a great variety of experiences. They are aware of the social and family problems that affect people who suffer from hypertension and increase their risks. But I repeat, you should ask the doctors who perform this work so you can see the possibilities. I believe that all socialist countries that have possibilities will follow this concept, the ones who have many doctors. I believe that sooner or later this will become a trend in society. Now many doctors are needed. One would have to estimate statistically how many are needed in Latin America. I have my own global estimates, and it is a considerable number of doctors. [end recording]

Dialogue With Delegates

FL101553 Havana Tele-Rebelde Network in Spanish 1100 GMT 10 Jun 86

[Text] The 1st work day of the primary health care seminar held at Havana's Palace of Conventions was characterized by an extensive and educational dialogue with Commander in Chief Fidel Castro Ruz and the delegates attending the seminar. During that exchange, Castro, president of the Councils of State and Ministers, clarified aspects of Cuba's health system and detailed the development of medical assistance from the triumph of the revolution to the present family doctor plan.

[Begin Castro recording] The family doctor concept became known by developing a physician program and medical faculties and for the purpose of solving problems. It is a concept different from the historical family doctor who could have a client 10 km from home. Our family doctors' clients are 300 meters from their homes or offices. They serve a determined community.

At the same time the family doctor concept was developed, the idea of general comprehensive medicine was developed as a new specialty. Previously, the doctor who did not seek a specialty, who no longer continued his studies, was called a general physician. We said, we must make the general practitioner a specialty.

If we study the situation in Latin American countries, it is not very encouraging. Even if a whole network of polyclinics is created, the problem would still not be resolved. You know that creating a polyclinic network will clash with many types of interests. Among other interests, it will clash with private medicine.

I am not lecturing here on any kind of doctrine, but I think we can actually do this. Since the beginning of the revolution, all doctors that graduated made the commitment to not practice private medicine.

Private medicine still exists in Cuba. There are approximately 40 doctors who practice private medicine, and no one has prohibited this. However, all the new generations of graduating doctors have made the commitment to practice social medicine, public medicine. There are a series of factors.

If each Latin American country could establish a network of polyclinics for primary care, even though they would not have a family doctor plan, and perform preventive health tasks, they would achieve the same advanced success we achieved before the family doctor plan. If Latin America could reduce infant mortality to 15 for every 1,000. it would be extraordinary. If the mother's mortality could be reduced to 3 for every 10,000, it would be extraordinary. If life expectancy could be raised to 74 years, that would be extraordinary.

what we are doing today is perfecting [the medical system]. We are refining it with this family doctor plan, which I think will elevate our country's health to a very high level. [end recording]

Upon conclusion of the afternoon session on the 1st work day, Fidel spoke with the delegates on topics related to the family doctor plan.

[Beging recording] [unidentified delegate] [Words indistinct] Family doctor [words indistinct].

[Castro] No, this is not a postgraduate course. After a year they begin to study; those on the mountains have to wait. There are no conditions there to study. They are spread out over an area of many square kilometers.

[Delegate] No, you do not understand me. Does the doctor study general medicine as a postgraduate course?

[Castro] No, in the future we plan to send specialists to say. They will not be rotated. Those who are there will stay there. Now, if one of them says he wants to specialize in internal medicine, or wants to be a cardiologist, they would have earned that right. That would be a second specialty, and it would be reflected in their salary. It would be a second specialty. You know they spent a year there. They spent 3 years studying. That is a total of 4 years, and suddenly he becomes a much better cardiologist than any other becasue trhey have specialized and know everyone who has a problem. They have a check system. I would say this doctor is the guardian of the people's health. That is why this doctor plays a role. I would not say this doctor is not fundamental. He is fundamental.

The work of the masses and education alone cannot resolve the problem. The doctor alone will not solve the problem. The two complement each other. Perhaps in the future, that same doctor will educate the people, but in the suburbs where they go now, it can be seen that they play a fundamental role. The importance of their role cannot be underrated.

[Delegate] Commander, there is a group of Venezuelan students here. Could you permit us [to ask your advice] to be better doctors and better soldiers, as Che Guevara said. [laughter]

[Castro] Be loyal, be true doctors. Do not be mercenaries. [laughter]

[Unidentified speaker] Commander

[Castro, interrupting] Give employment to the 20,000 doctors they have in community medicine. There is much that needs to be done that is not being done. One needs to request that it be done. Over there they will not be able to conduct a detailed refinement as we are trying to do here. This will have an impact in the procreation of life. I am sure that we will draw the line here despite the technology involved. I cannot approve of this kind of medicine.

We are already performing prenatal gentics -- it is another program -- to make timely detections of abnormal case. We have statistics of births. We have the laboratory ready everything prepared for all those abnormal cases. We must see if there are other factors that influence a reduced infant mortality rate. We have a better system than any other country. Now wait until you see the very modern vaccine factory and the genetic engineering center of a modern technology that we are going to build. Well gentlemen, you need to rest, and I ned to tour the area. [end recording]

Further Discussion

FL120128 Havana Television Service in Spanish 0000 GMT 12 Jun 86

[Excerpts] With our Commander in Chief Fidel Castro in attendance, the 3d day of sessions of the international seminar on primary health care was held in Havana.

During the last recess, Fidel chatted with the delegates.

[Begin Castro recording] In Third World countries, human resources are wasted; they do not know what to do with them. Many of them die because they do not receive services. In many countries life expectancy is in the 40's; many do not reach their 50's. People die younger. If there is development, people live longer. If they live longer they need to be taken care of. Now we have the problem of a large number of people who surpass their 60's and 70's. We have hundreds of people who are more than 100 years old. What are you going to do with a person who lives 80 or 90 years?

You have to take care of them. You not only have to take care of them with material things but also from the psychological point of view. You have to make him feel useful, for him to have a social life.

In those same areas, we are putting in practice the house of grandparents [casa del abuelo] which is a place for retired people, over 60 years of age. Forty of fifty are gathered there by districts. In that same place, we are going to begin developing the house of grandparents. The interesting thing is that they built it themselves, they were provided with the materials. The first one is very small. I believe it needs to be a little bigger, but like everything that gets started, the first stage always has its flaws. But there are two now, one for old men and another for old women. [laughter] You may ask why? Well, it is very simple. When they are adolecscents they want to be together, and when they are over 60 they do not have as much interest in being together. [laughter] What happens is that they have other interests. Old men like to play domino, to watch baseball, boxing, or other programs, and over there they are watching the soap operas, other programs, embroidering, and doing other things. It is not forbidden [to be together]. They wanted to be by themselves. We had to provide two different places because their interests are different. They can go from one place to another; I do not know. But the old women like to be together and old men like to be together. The men do foolish things. [laughter] At least the women are producing something when they embroider. It is interesting.

We want to take that program to every city. It is necessary. We have to develop gerontology. Before it was not needed because there were no old people. Now it is necessary. New things are coming up. But the problem is to see how to efficiently and optimally use human resources. That is the key. Natural resources are usually wasted. [end recording]

CASTRO OFFERS INTERFERON TO OTHER COUNTRIES

FL112328 Havana Radio Rebelde Network in Spanish 2300 GMT 11 Jun 86

[Excerpt] During one of the work sessions of the international seminar on primary health care being held at the Palace of Conventions, Commander in Chief Fidel Castro today explained that interferon will be specially used in acute cases so that the greatest possible amounts can be used for cancer research.

[Begin Castro recording] We are going to use it on the most acute cases, the most critical ones, so that from now on we can use the available interferon for cancer research. [end recording]

Fidel also offered to provide some amounts of interferon free of charge to the countries that need it for acute cases as well as for research.

[Begin Castro recording] But if your countries need a certain amount [of interferon] for research, you can ask Dr Limon because he is authorized to make the donation. [end recording]

FIRST SOVIET KOMSOMOL BRIGADE TO VISIT HONORED

FL110142 Havana Television Service in Spanish 0000 GMT 11 Jun 86

[Text] The first Soviet Komsomol brigade that arrived in our country in 1961 has been honored during a ceremony held at the Cuban Embassy in Moscow. Roberto Robaina, Central Committee member and second secretary of the Union of Young Communists [UJC] National Committee, read the document.

[Begin Robaina recording] We gather here today with great satisfaction to commemorate the 25th anniversary of one of the most beautiful actions in the history of socialist internationalism.

Twenty-five years ago, a group of Soviet youth -- members of its vanguard youth, the Leninist Komsomol -- left their country with the noble purpose of working, helping, and teaching, leaving there their loved ones. On this day of homage, receive the greetings and embrace of the Cuban people composed of men and women who have been educated like you in the virtues of socialism and Marxism-Leninism. [applause] [end recording]

CABRISAS MEETS WITH DPRK TRADE MINISTER

FL101136 Havana Radio Progreso Network in Spanish 1100 GMT 10 Jun 86

[Text] Foreign Trade Minister Ricardo Cabrisas and DPRK Foreign Trade Minister Choe Chong-kun are holding work meetings in Havana to discuss bilateral trade, which increased this year by 7 million pesos over the previous year. Cuba exports sugar, nickel, tobacco and other products to that Southeast Asian country while the DPRK sends food, raw material, ferrous and nonferrous steel, and spare parts primarily for agricultural equipment.

Cooperation Agreement Signed

FL112216 Havana Radio Periodico del Aire in Spanish 2130 GMT 11 Jun 86

[Text] An economic, scientific, and technical cooperation agreement between Cuba and the DPRK was signed here today as a result of the 10th meeting of the intergovernmental commission of the two countries for the period of 1986-1987. Foreign Trade Minister Ricardo Cabrisas and DPRK Foreign Trade Minister Choe Chong-kun signed the agreement on behalf of their respective governments. The document provides for the exchange of missions, personnel training, and donations by Cuba, among other things. The Cuban-Korean cooperation is basically in the areas of agriculture, public health, foodstuffs, and basic industries.